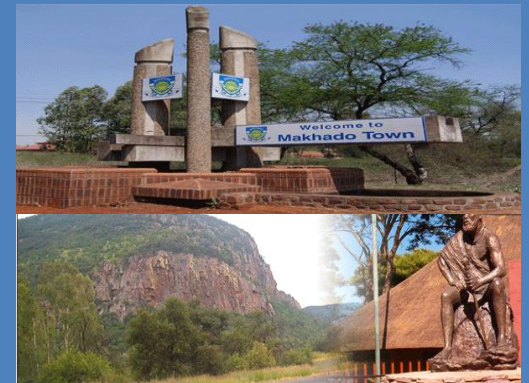
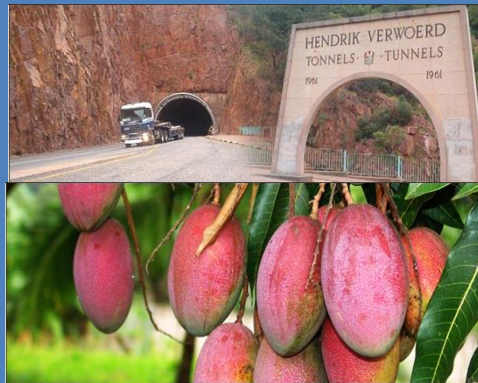




# MAKHADO LOCAL MUNICIPALITY

## DRAFT ANNUAL REPORT 2016/2017

### SECTION 121 MFMA



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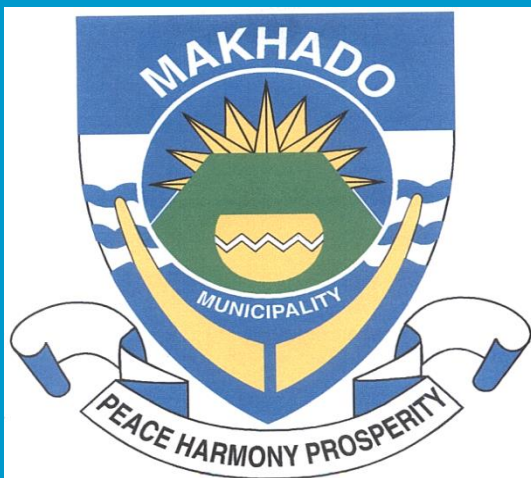
## GLOSSARY

ADDP	-	African Christian Democratic Party
ADMD	-	After Diversity Maximum Demand
AFS	-	Annual Financial Statements
AG	-	Auditor General
AGSA	-	Auditor General South Africa
ANC	-	African National Congress
APAC	-	Audit and Performance Assessment Committee
B&T	-	Budget and Treasury
CFO	-	Chief Financial Officer
CIPRO	-	Companies and Intellectual Property Registration Office
COGHSTA	-	Department of Cooperative Governance, Human Settlement and Traditional Affairs
COPE	-	Congress of the People
CPMD	-	Consolidated Program for Management Development
DA	-	Democratic Alliance
DCOMS	-	Department Community Services
DCSS	-	Department Corporate Support & Shared Services
DDP	-	Department Development Planning
DTS	-	Department Technical Services
EAP	-	Employee Assistance Program
EEP	-	Employment Equity Plan
ERM	-	Enterprise Risk Management
EXCO	-	Executive Committee
FBE	-	Free Basic Electricity
FBS	-	Free Basic Services
FBW	-	Free Basic Water
GRAP	-	General Recognized Accounting Practice
HH	-	Households
ICT	-	Information and Communication Technology
IDP	-	Integrated Development Plan
IIA (SA) (standards)-	-	Institute of Internal Auditors (SA)
INEP	-	Integrated National Electrification Program
IT	-	Information Technology
KPA	-	Key Performance Area
KPI	-	Key Performance Indicator
LED	-	Local Economic Development
LGSETA	-	Local Government Sector Education & Training Agency
MFMA	-	Municipal Finance Management Act
MLM	-	Makhado Local Municipality
MM	-	Municipal Manager
MPAC	-	Municipal Public Account Committee
MSA	-	Municipal Structures Act
MSA	-	Municipal Systems Act
NERSA	-	National Electricity Regulator South Africa
OHS	-	Occupational Health and Safety
OPCA	-	Operation Clean Audit
PAC	-	Pan Africanist Congress
PMS	-	Performance Management System
RD	-	Refer to Drawer
RDP	-	Reconstruction Development Program
RWS	-	Reticulation Water Scheme
SCM	-	Supply Chain Management
SDBIPs	-	Service Delivery and Budget Implementation Plans
SDP	-	Skills Development Plan
SITA	-	State Information Technology Agency

SLA	-	Service Level Agreement
SMME	-	Small, Medium and Micro Enterprise
VDM	-	Vhembe District Municipality
WSA	-	Water Services Authority
WSP	-	Water Services Provider
WPSP	-	Work Place Skills Plan

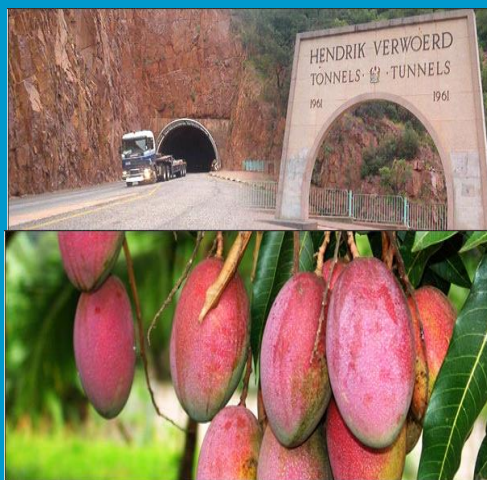
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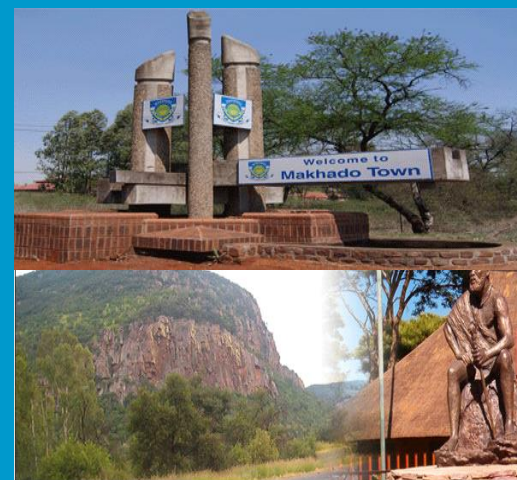


# CHAPTER 1

## INTRODUCTION AND OVERVIEW



### DRAFT ANNUAL REPORT 2016/2017



## CHAPTER 1: INTRODUCTION AND OVERVIEW

### COMPONENT A: MAYOR'S FOREWORD

#### 1.1.



On behalf of the Council of Makhado Municipality I present the 2016/2017 Annual Report with the trust that it will provide an comprehensive outline and critical assessment of the achievements and challenges recorded in the previous year towards the provision of sustainable services and improved quality of life for the people of Makhado.

Our Municipality is part of the Musina/Makhado Special Economic Zone (SEZ) and is becoming one of the fastest growing towns and preferred investment destinations in the Limpopo Province.

Our dream of becoming a dynamic hub for socio economic development is possible and will be propelled by the expected massive local and foreign direct investments in the various sectors of our local economy especially, manufacturing, logistics, mining, tourism, agriculture and agro processing and other secondary and tertiary industries.

Our Budget and Integrated Development Plan (IDP: 2017/2018-2022) remain strategic pillars of action and yardsticks to plan ahead and review our performance in the delivery of quality services to our communities and towards achieving our vision of becoming a dynamic place for socio economic opportunities for all.

Our institutional financial management and internal control systems remains an area of concern as it has the potential to compromise our strategic objective of building a viable and sound management regime capable of achieving our strategic objectives articulated in our IDP.

During 2016/2017, our audit outcomes regressed and that presents an immediate task to both administrative and political components to collectively and aggressively implement the audit action plan as recommended by the Auditor General.

The people of Makhado Municipality expect the municipality to be well managed and to be accountable for the prudent stewardship of public funds, the safeguarding of public assets, and the effective, efficient and economical use of public resources.

Global and national economic trends have impacted on our ability to transform and advance our local economy to new heights with the capacity to eradicate poverty, unemployment and to create opportunities for the residents of our Municipality.

The high levels of unemployment and poverty undermines our efforts to provide sustainable services in disadvantaged communities. We are equally concerned by the rate of crime, HIV and AIDS, alcohol and substance abuse, ritual murders, women and children abuse within our Municipality.

During 2016/2017 we have worked closely with sector departments and civil society organisations to develop and implement public awareness and community driven initiatives to mitigate these social and economic injustices in the quest of creating safe and peaceful communities.

The new municipal demarcation altered our municipal boundaries and has affected governance and administration and impacted on our IDP and Budget during the 2016/2017 financial year. Our municipality transferred some of the staff and assets to the new Municipality (Collins Chabane Municipality), we have done so, to ensure seamless and on-going provision of services in communities that were under our Municipality.

Over the past year, Makhado Municipality invested more than R65 346 000.00 in infra-structure development through the Municipal Infra-Structure Grant (MIG) and from its own income sources. In line with the National Development Plan and the Limpopo Provincial Development Plan. We have prioritised rural villages and townships without access to basic social and economic infra- structure like roads, community halls, refuse removal and household electricity connections.

The shortage of bulk water and electricity supply in our town and municipality has largely affected our residents, existing businesses and potential investors who have expressed concern about personal and public health risks and equally the delays in offsetting major business initiatives in our town and the municipality as a whole. The Nandoni Bulk Water Supply project remains the last hope in resolving this critical threat to life and development of our communities.

This report will categorically reflect on the capital and operational projects, costs, location and detail the status of the project and how our people will benefit from these strategic community resources to enhance a better life.

Forward planning of capital projects remains an area that we must improve on to ensure that our capital projects are planned, implemented and completed on time in order to avoid under-spending and roll-over of capital budget and grants.

We hosted more 5 Imbizos in order to create a platform for interactive and mutual dialogue with our constituencies on all issues of community development and service delivery by the Municipality and sector departments. A total of 4 feedback sessions were held to report on steps taken to resolve issues that were raised during the Imbizos.

Our Ward Committees are fully established and are functional in all our 38 wards. Ward Committees regularly convene monthly meetings to assess and monitor the implementation of their own ward specific service delivery and development plans. The Political Management Team (PMT) has throughout the year engaged with our traditional leaders on all matters of municipal governance to ensure integrated and inclusive leadership.

Our Community Development Workers in wards continue to be champions of community service and have played a pivotal role in collating ward profiles and development plans with the support of Ward Committees. The Municipality has provided a building to the Makhado FM, which is Community Radio so that our communities in rural areas have access to current news, informational and education programmes of the radio station.

The Municipality actively participates in District/Provincial and National Inter-Governmental activities to ensure integrated planning and sharing of best practises to enhance improved service delivery.

The Municipality is on track to ensure that we reduce the use of paper in providing internal and external services to its employees and clients. We are investing in digital technologies in order to improve communication between and amongst our staff, Council members and the community as a whole.

We are investing in our staff through tailor made training and development programmes so that they are well capacitated in order to offer quality, responsive, relevant and sustainable municipal services.

Our Municipality support the initiatives by the University of Venda and the University of South Africa (UNISA) in establishing satellite campuses in the town of Makhado, because we believe that these will increase access to academic programmes offered by both institutions and also contribute to local economic and social opportunities for local residents.

We are working with SETA's and other government agencies to increase the number of young people and unemployed graduates enrolled in learnerships and internships programmes. Through the Expanded Public Works and Community Works Programme the Municipality has enrolled more than 200 community members on short –medium employment and we shall increase this targets in the next year of action.

In the coming year, the Executive Committee will adopt a hands-on approach in monitoring the implementation of the Service Delivery and Budget Implementation Plans (SDBIP) in all Departments of the Municipality.

Let me also extend sincere appreciation to members of the Executive Committee, the Risk and Audit Committee, MPAC, Section 79 Committees, and all Ward Committee members for their unwavering and selfless commitment to service the people of Makhado Municipality.

I also want to thank the Office of the Speaker, Chief Whip, for their solid and unshaken support that has immensely contributed and increased our capacity to lead and govern.

The Municipal Manager, Directors and his staff must also be commended for their relentless efforts to provide quality and sustainable services. Our goal for this coming year is to achieve a clean audit for improved service delivery and to maximise service delivery for the benefit of the people of Makhado Municipality.

---

**Cllr S.M Sinyosi**  
**Makhado Municipality**

## COMPONENT B: EXECUTIVE SUMMARY

Makhado Local Municipality's IDP serves as a single broad strategic guide for implementation of Council priorities. The municipality has, during the year under review, ensured the alignment of services to IDP indicators and Council priorities as expressed in the IDP.

In line with the provision of basic services the Municipality continued to tanker water on a daily basis within the Municipality's area of jurisdiction.

The year under review, highlights amongst others the following achievements:

- Waste management and cleansing services were expanded rural areas in Kutama/Sinthumule areas.
- Initiatives to enhance local economic development wherein 6 LED/community based poverty alleviation projects funded
- Completion of the roads, electricity and recreation infrastructure services:

The municipality did not improve in terms of audit opinion and had unfortunately regressed to an adverse opinion, however, Makhado Municipality's remain committed to achieving its vision, mission and strategic objectives which reflects as follows:

- The Vision is: "A dynamic hub for socio – economic development by 2025"
- The Mission is: "To ensure effective utilization of economic resources to address socio- economic imperatives through mining, tourism and agriculture", including:

### The Makhado 7 strategic objectives:

- Good governance and administrative excellence
- Invest in human capital
- Promote community and environmental welfare
- Advance Spatial Planning
- Accessible basic and infrastructure services
- Sound Financial Management and viability
- Invest in local economy

To ensure viability, during the year review the municipality, ensured 90% of capital budget spending. In addition, the municipality continues to implement the revenue enhancement strategy and credit control measures.

It is therefore an honour for me to present the 2016/2017 Makhado Local Municipality Annual Report.

---

**Mr M.J Kanwendo**  
**Acting Municipal Manager**



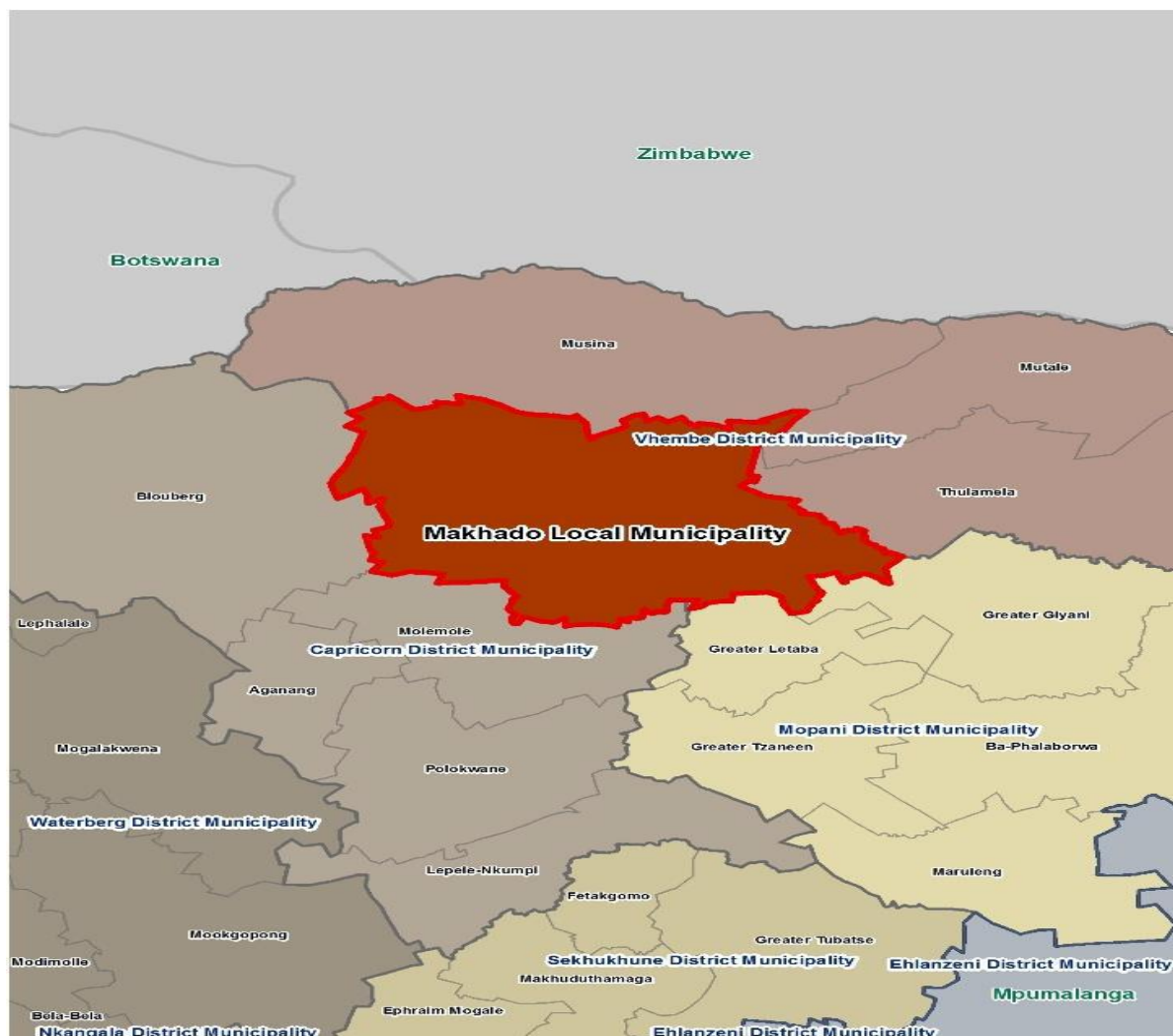
## COMPONENT C: MUNICIPAL OVERVIEW

### MUNICIPAL OVERVIEW:

The Makhado Municipality is a local municipality, within the Vhembe District, Limpopo Province in the Republic of South Africa. The main town Makhado is strategically located on N1 and is an important bypass for people travelling to Southern African Developing Countries, and that provides the Municipality with the following opportunities: i) Tourism and (ii) Stimulation of Economic Activities. Other local municipalities bordering the municipality are the Molemole and Blouberg Local Municipalities forming part of the Capricorn District Municipality, whilst the Greater Giyani and Greater Letaba Municipalities also boarder the municipality from the South East and form part of the Mopani District Municipality.

Makhado Local Municipality is situated under Vhembe District along N1 National route in the northern part of Limpopo Province. Municipal area is 8567.37 km<sup>2</sup> or 856,738 ha. A total of 516 301 population reside within the municipality and majority can be classified as predominately rural.

**Figure 1: Location of Makhado Municipality**



Makhado Municipality has an estimated population of 516 301 people, the gender are spread as follows: Male - 45.75% (236 207), Females – 54.25% (280 094). The population of Makhado has 54% (311 202) of economically active people and 46% (205 099) are economically inactive. There are 38 Wards represented by all together 75 municipal councilors. Makhado Town is a provincial growth point, – Dzanani, Bungeni, Madombidzha as municipal growth points, under Makhado Local Municipality there are three Malls namely Makhado Grossing, Hubyeni and Elim Mall. There are 279 villages and 134 889 households as per the 2011 Census report.

**Table 1: Services Backlog**

Population	Households	Water	Sanitation	Waste Management	Electricity	Housing
516 301	134 889	17 668 Households	9 734 Households	12 552 Households	9198 Households	16807 RDP Housing

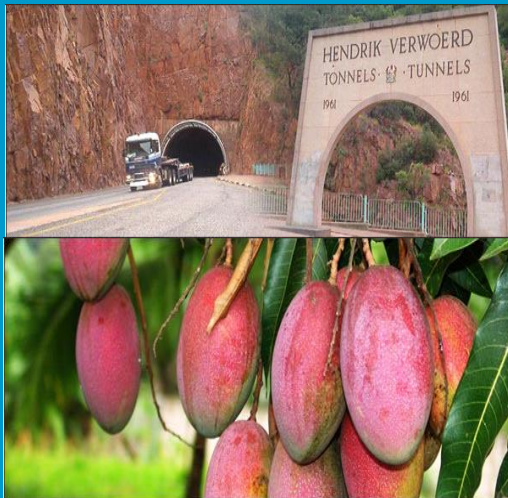
**Table 2: Free Basic Services**

Indigent households	Receive free basic electricity	Receive free basic water	Debts owed to municipality
24,464	24,464	129,224	R222,146,188

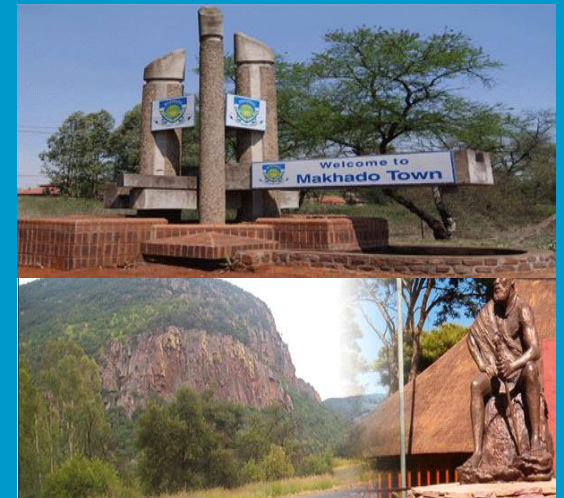


# CHAPTER 2

## GOVERNANCE



### DRAFT ANNUAL REPORT 2016/2017





## **CHAPTER 2: GOVERNANCE**

### **COMPONENT A: GOVERNANCE STRUCTURES**

#### **2.1. POLITICAL GOVERNANCE STRUCTURE**

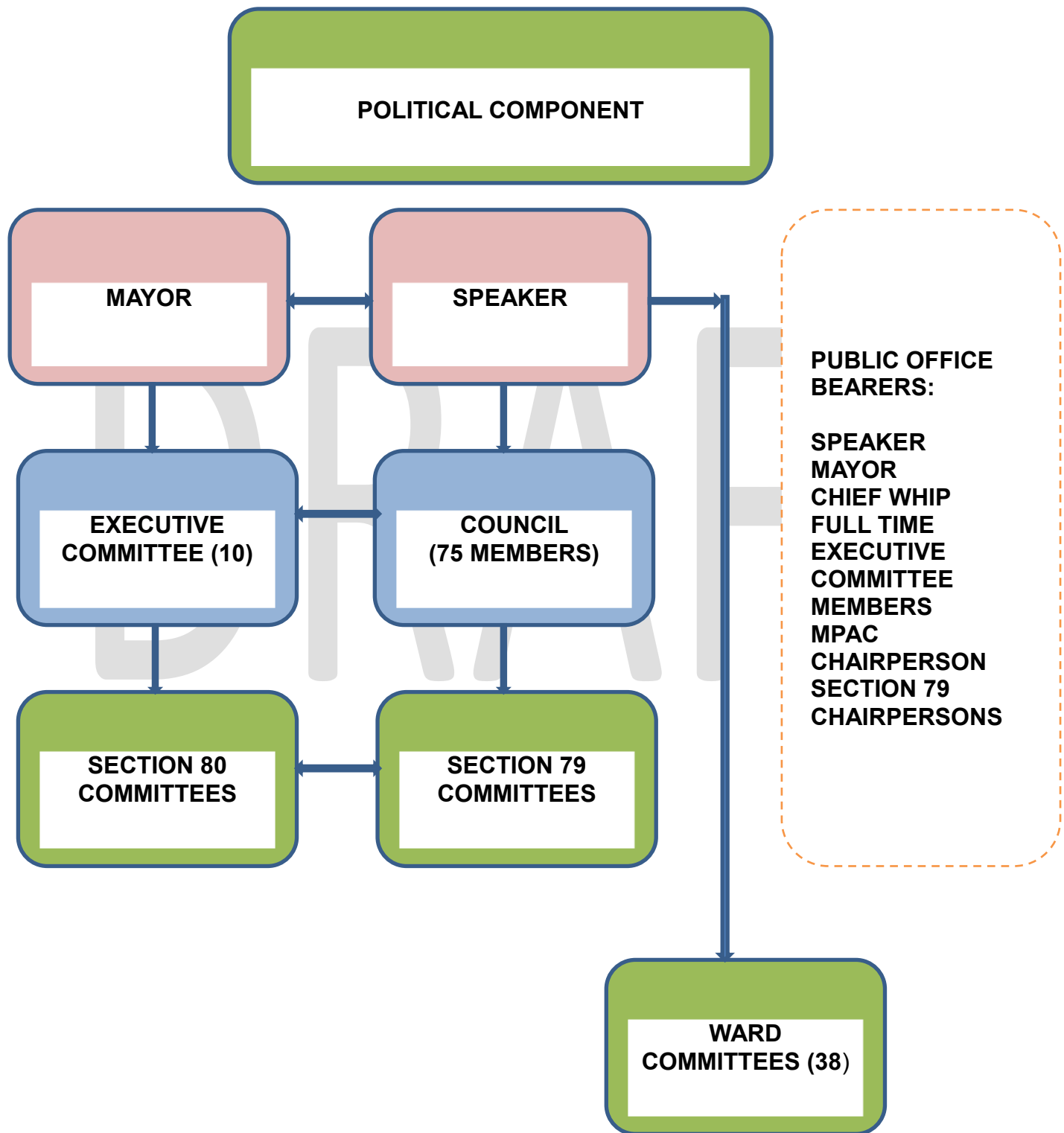
##### **2.1.1. COUNCILORS**

The 2016/17 Annual reporting period had two (2) respective Councils, i.e from 1 July 2016 to 3 August 2016 including 4 August 2016 to 30 June 2017. This was due to the General Municipal Elections held on national level on 3 August 2017. Municipality's governing structures were accordingly recomposed by two respective councils.

The term of Council which produced the Annual Report 2016/2017 commenced on 3 August 2016 when the general municipal elections were held on national level. Cllr S M Sinyosi was duly elected as the Mayor at Council's first special meeting held on 10 August 2016 and carried this office with dignity during the financial year of this Annual Report. In the shorter period of 2016/17, i.e. from 1 July 2016 to 3 August 2016, the now late Cllr F D Mutavhatsindi was the Mayor.

Makhado Local Municipality (LIM344) is a category B municipality in terms of the Local Government: Municipal Structures Act, 1998 and in terms of Notice 417 of 24 December 2010 as promulgated in Provincial Gazette No 1884 of same date, comprised of 38 ward councilor seats and 37 proportional councilor seats. Thirty eight (38) ward councilors and thirty seven (37) proportionally elected councilors were duly elected on the effective date 3 August 2016 for the term of office that would last five years until 2 August 2021, as contemplated in section 24 of the Structures Act, 1998. The current Council was duly formed with effect from 3 August 2016 and is still the councilors for the annual performance year of 2016/2017 under discussion, with some newly elected councilors where resignations and death occurred.

Figure 2 Political Structures



Makhado Municipality is a Category B municipality with 75 councilors (37 proportionally elected and 38 ward councilors) as promulgated under General Notice No 264 of 2009 by the MEC for Local Government and Housing and published in Provincial Gazette Extraordinary No 1656 on 31 July 2009 and rated Grade 4 in terms of the criteria determined by the National Department of Cooperative Governance and Traditional Affairs.

In terms of the Seat Calculation Summary per Municipality received from the **Municipal Electoral Officer on 11 August 2016** the names of the elected parties and the number of the respective councilors elected are as follows:

**Table 3: Representation in Council – Political Parties**

<b>PARTY</b>	<b># OF WARD COUNCILLORS</b>	<b># OF PROPORTIONAL REPRESENTATIVE COUNCILORS</b>	<b>TOTAL</b>
African National Congress (ANC)	37	19	56
Democratic Alliance (DA)	1	8	9
Economic Freedom Fighters (EFF)	0	7	7
Ximoko Party	0	1	1
Congress of the People (COPE)	0	1	1
African Christian Democratic Party	0	1	1
<b>Total</b>	<b>38</b>	<b>37</b>	<b>75</b>

The following are current Councilors of Makhado Municipality

**Table 4: Name of Councilors**

<b>NO.</b>	<b>NAMES OF COUNCILLORS</b>
1.	BABADU, T M
2.	BALIBALI, T
3.	BULALA, S I
4.	CHILILO, N F
5.	DAVHANA, N D
6.	DU PLOOY, A
7.	DZIVHANI, T E
8.	FURUMELE, M G
9.	GABARA, M J
10.	HLONGWANE, F B

NO.	NAMES OF COUNCILLORS
11.	JONES, N B
12.	KUTAMA, N
13.	KUTAMA, T
14.	LUDUVHUNGU, V S
15.	LUKHELI, J
16.	MACHETHE, M S
17.	MADULA, S
18.	MADUWA, E
19.	MADUWA, L G
20.	MADZHIGA, F N
21.	MAFHALA, N A
22.	MAGADA, M R
23.	MAINGO, R T
24.	MALANGE, T M
25.	MALIMA, M E
26.	MALIVHA, N V
27.	MALULEKE, K M
28.	MAMAFHA T C
29.	MAMAFHA, T J
30.	MAMOROBELA, T P
31.	MAPHAHA, M Q <i>(passed away on 10 April 2017)</i>
32.	MAPHUBU, K
33.	MARAGA, T A <i>(elected 7 September 2016)</i>
34.	MARINGA, T K <i>(elected 6 December 2016)</i>
35.	MASHAMBA, M A
36.	MASIPA, M L <i>(elected 8 February 2017)</i>
37.	MASUKA, S
38.	MASUTHA, L G
39.	MATHALISE, L M
40.	MATUMBA, A
41.	MBOYI, M D
42.	MOGALE, L B

NO.	NAMES OF COUNCILLORS
43.	MOHLABA, T J
44.	MOKGOADI, M R
45.	MPASHE, M J
46.	MTHOMBENI, S Z
47.	MUKHARI, M F
48.	MUKWEVHO, G T
49.	MUKWEVHO, T D
50.	MULEFU, M E
51.	MUNYAI, N
52.	MUNYAI, N S
53.	MUSANDIWA, P N
54.	NDOU, M D
55.	NDOU, M N
56.	NEMATANDANI, M C
57.	NEMUDZIVHADI, N S
58.	NETHULWE, M F
59.	NYELISANI, S S
60.	PHOSHOKO, M G
61.	RALIPHADA, R
62.	RAMAVHOYA, K S
63.	RAMUSHAVHA, G M
64.	RAPHALALANI, A A
65.	RASHAMUSE, A G
66.	RATSHIKUNI, D
67.	SELAPYANA, M A
68.	SIMANGWE, N J
69.	SINYOSI, S M
70.	SITHI, E T
71.	TAMBANI, T E
72.	TSHIAMBWA, L R
73.	TSHIBVUMO, G
74.	TSHIFURA, S S
75.	TSHILAMBYANA, M S

## EXECUTIVE COMMITTEE

The Executive Committee is composed in line with the provisions of the Local Government: Municipal Structures Act, 1998. The Executive Committee consists of ten members; four full-time members and five part-time members as arranged by General Notice 94 of 2016 promulgated by the M E C for Cooperative Governance, Human Settlements and Traditional Affairs as published in the Provincial Gazette No. 2735 dated 22 July 2016.

The designation of full-time councilors in terms of the provisions of section 18(4) of the Local Government: Municipal Structures Act, 117 of 1998 read with Part 14 of the General Notice No. 94 of 2016 published in the Provincial Gazette no. 2735 dated 22 July 2016 was resolved by Council on 17 August 2017 as follows:

*The Mayor, Cllr S M Sinyosi, the Speaker, Cllr L B Mogale, the Chief Whip, Cllr M D Mboyi, Cllr T J Mamafha (Technical Services), Cllr N D Davhana (Finance), Cllr T P Mamorobela (Corporate Services), Cllr D T Ratshikuni (Development Planning) with effect from 10 August 2016.*

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**CLLR S.M SINYOSI**  
**Mayor**



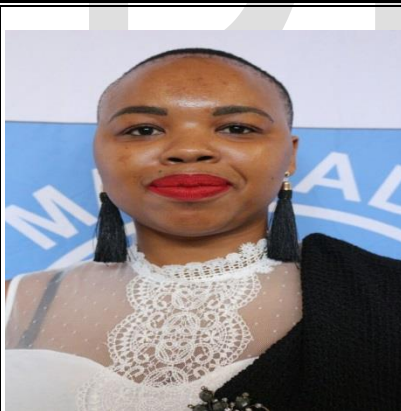
**CLLR L.B Mogale**  
**Speaker**



**CLLR M.D. Mboyi**  
**Chief Whip**



**CLLR T.G. Mukwevho**  
**Portfolio: Youth & Special  
Programmes**



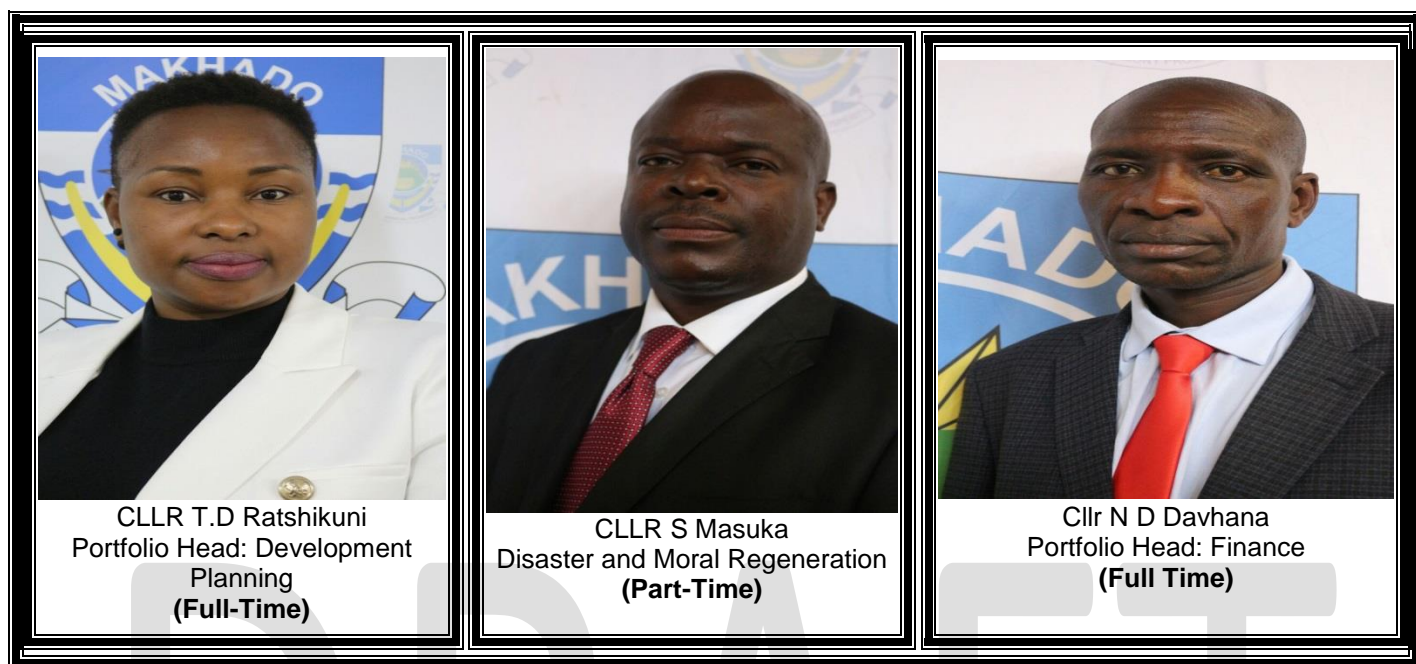
**CLLR T.P Mamorobela**  
**Portfolio: Corporate Services  
(Full-Time)**



**CLLR T.J. Mamafha**  
**Portfolio: Technical Services  
(Full-Time)**



**CLLR N.F CHILOLO**  
**Portfolio: Community Services  
(Full-Time)**



Makhado Municipality is a Category B municipality with 75 councilors (37 proportionally elected and 38 ward councilors)

**Figure 3 Executive Committee Members :**

<b>Cllr S M Sinyosi</b>	<b>: Mayor and Chairperson (ANC)</b>
<b>Cllr N D Davhana</b>	<b>: Full-time capacity: Portfolio Finance– (ANC)</b>
<b>Cllr T J Mamafha</b>	<b>: Full-time capacity: Portfolio Technical Services – (ANC)</b>
<b>Cllr D Ratshikuni</b>	<b>: Full-time capacity: Portfolio Development Planning – (ANC)</b>
<b>Cllr T P Mamorobela</b>	<b>: Full-time capacity: Portfolio Corporate Services) – (ANC)</b>
<b>Cllr N F Chililo</b>	<b>: Portfolio Community Services – (ANC)</b>
<b>Cllr G Mukwevho</b>	<b>: Youth &amp; Special Programmes – (ANC)</b>
<b>Cllr S Masuka</b>	<b>: Disaster and Moral Regeneration – (ANC)</b>
<b>Cllr N B Jones</b>	<b>: DA</b>
<b>Cllr A Matumba</b>	<b>: EFF</b>



**SECTION 79 AND SECTION 80 COMMITTEES**

The Chairpersons and members of Section 79 Committees was appointed by Council as follows:

**SECTION 79 OVERSIGHT COMMITTEES**

NO.	PORTFOLIO COMMITTEE	CHAIRPERSON AND MEMBERS
1.	TECHNICAL SERVICES	1. <b>KUTAMA N (CHAIRPERSON)</b> 2. MASUTHA L G 3. SITHI E T 4. SIMANGWE N J 5. NETHULWE M F 6. MUKHARI M F 7. MAPHUBU K 8. LUKHELI J 9. NEMATANDANI M C
2.	CORPORATE SERVICES	1. <b>MADZHIGA N F (CHAIRPERSON)</b> 2. MALULEKE K M 3. NYELISANI S S 4. BABADU T M 5. TAMBANI T E 6. TSHIAMBWA L R 7. NEMUDZIVHADI N S 8. MOHLABA T J 9. MAFHALA N A 10. PHOSHOKO M G
3.	FINANCE	1. <b>MAGADA M R (CHAIRPERSON)</b> 2. MOHLABA T J 3. MAINGO R T 4. BALIBALI T 5. MUSANDIWA P N 6. TSHILAMBYANA M S 7. GABARA M J 8. NDOU M N 9. NEMATANDANI M C 10. DU PLOOY A
4.	COMMUNITY SERVICES	1. <b>MTHOMBENI S Z (CHAIRPERSON)</b> 2. BULALA S I 3. MULEFU M E 4. RAMUSHAVHA G M 5. KUTAMA T 6. TSHILAMBYANA M S 7. NETHULWE M F 8. NDOU M N 9. FURUMELE M G 10. MALIMA M E
5.	DEVELOPMENT PLANNING	1. <b>MAMAFHA T C (CHAIRPERSON)</b> 2. TAMBANI T E 3. MADUWA E 4. BABADU T M 5. MUSANDIWA P N 6. MADUWA L G 7. MUKWEVHO T D 8. DZIVHANI T E 9. RAPHALALANI A A

NO.	PORTFOLIO COMMITTEE	CHAIRPERSON AND MEMBERS
6.	<b>DISASTER, MORAL REGENERATION, SPORTS, ARTS AND CULTURE</b>	1. <b>MACHETE M S (CHAIRPERSON)</b> 2. LUDUVHUNGU V S 3. MALULEKE K M 4. MADULA S 5. MULEFU M E 6. RAMUSHAVHA G M 7. TSHIFURA S S 8. MARAGA T A 9. SESHOKI T
7.	<b>SPECIAL PROGRAMMES</b>	1. <b>MATHALISE L M(CHAIRPERSON)</b> 2. MUKHARI M F 3. MASUTHA L G 4. NYELISANI S S 5. MADUWA L G 6. MPASHE M J 7. PHOSHOKO M G

#### **SECTION 79 STANDING COMMITTEES**

NO.	STANDING COMMITTEE	CHAIRPERSON AND MEMBERS
1.	<b>MPAC</b>	1. <b>MALANGE T M (CHAIRPERSON)</b> 2. MAPHAHA M Q 3. MALIVHA N V 4. MASHAMBA M A 5. NDOU M D 6. MAKGOADI M R 7. RALIPHADA R 8. HLONGWANE B F 9. TSHIBVUMO G 10. SELAPYANE M A
2.	<b>ETHICS</b>	1. <b>MUNYAI N (CHAIRPERSON)</b> 2. MADUWA E 3. SITHI E T 4. MUKWEVHO T D 5. GABARA M J 6. KUTAMA T 7. NEMUDZIVHADI N S 8. DZIVHANI T E 9. MAFHALA N A
3.	<b>RULES</b>	1. <b>MUNYAI N S (CHAIRPERSON)</b> 2. RAMAVHOYA K S 3. MAPHUBU K 4. RASHAMUSE A G 5. SIMANGWE J N 6. BALIBALI T 7. BULALA S I 8. MAFHALA N A 9. MADULA S
4.	<b>WOMEN CAUCUS</b>	1. <b>MOGALE L B (CHAIRPERSON)</b> 2. MOHLABA T J

NO.	STANDING COMMITTEE	CHAIRPERSON AND MEMBERS
		1. TAMBANI T E 2. BABADU T M 3. LUDUVHUNGU V S 4. SIMANGWE J N 5. MACHETE M S 6. RAMUSHAVHA G M 7. GABARA M R 8. MADULA S 9. MATHALISE L M 10. RASHAMUSE G R 11. RALIPHADA R 12. MBOYI M D 13. MALANGE T M 14. NDOU M N 15. NETHULWE M F 16. RATSHIKUNI D 17. SINYOSI S M 18. MAMOROBELA T P 19. MAPHAHA M Q 20. MAINGO R T 21. MUKHARI M F 22. TSHILAMBYANA M S 23. TSHIAMBWA L R 24. MUKWEVHO G T 25. MADUWA L G 26. JONES N B 27. NEMATANDANI M C 28. MARAGA T A 29. DZIVHANI T E 30. PHOSHOKO M G 31. FURUMULE M G 32. MOKGOADI M R 33. MUKWEVHO T D

Section 80 Committees was composed of members of the Executive Committee, as follows:

#### **SECTION 80 COMMITTEES**

NO.	COMMITTEE	CHAIRPERSON AND MEMBERS
1.	<b>GOVERNANCE AND FINANCIAL VIABILITY</b>	1. <b>DAVHANA N D (CHAIRPERSON)</b> 2. MAMOROBELA T P 3. MAMAFHA T J 4. MATUMBA A
2.	<b>PUBLIC SAFETY AND SOCIAL DEVELOPMENT</b>	1. <b>CHILILO N F (CHAIRPERSON)</b> 2. MASUKA S 3. MUKWEVHO G T 4. JONES B
3.	<b>DEVELOPMENT PLANNING AND MUNICIPAL INFRASTRUCTURE</b>	1. <b>RATSHIKUNI D (CHAIRPERSON)</b> 2. MAMAFHA T J 3. DAVHANA N D 4. JONES B

## 2.1.4 Meetings Held For 2016/2017 Financial Year (Council, Executive Committee and Portfolio Committees)

Table 5: Meetings held For 2016/2017 Financial Year (Council, Executive Committee and Portfolio Committees)

DATE	PORTFOLIO COMMITTEES	EXECUTIVE COMMITTEE	COUNCIL
1 July 2016 to 30 June 2017	66	31	15
<b>TOTAL</b>	112		

## 2.2. ADMINISTRATIVE COMPONENT - MUNICIPAL MANAGEMENT

Makhado Municipality has 6 Section 57 Managers positions which are Municipal Manager, Director Community Services, Director Corporate Services, Director Technical Services, Director Development and Planning and Chief Financial Officer. For the financial year under review the following were changes in terms of Section 57 Managers:

NAME	POSITION	COMMENTS
<b>Mr Mutshinyali I P</b>	Municipal Manager	Resigned 1 June 2017
<b>Mr Kanwendo M J</b>	Director Community Services	Acted in capacity of Municipal Manager from November 2017 to 30 June 2017
<b>Mrs Sinthumule M D</b>	Director Development and Planning	N/A
<b>Mr Kharidzha N C</b>	Director Corporate Services	N/A
<b>Ms Makhubela MP</b>	Chief Financial Officer	N/A
<b>Mr Molokomme C W</b>	Director Technical Services	N/A

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

Makhado Municipality participate in intergovernmental relations forums such as District, Provincial and National Forums. The primary purpose of the intergovernmental relations is to enhance intergovernmental relations by mobilizing resources and strategic partnerships which will ensure co-ordination of service delivery by all departments to the community of Makhado. Intergovernmental relations help in the following

- Coordinating and managing all municipal relationships with other spheres of government.
- To ensure that there is a strong link between departments internally and the two spheres of government (National and Provincial).
- To facilitate information and knowledge sharing through inter-municipal cooperation.
- To build managerial and technical capacity (through study tours, exchange programmes, seminars and conferences).
- To develop project partnerships with other government departments for mutual benefit.
- To create employment through the public works programmes.
- To ensure that there is monitoring and alignment of municipal budgets and IDP implementation with provincial and national government departments.

- Promoting efficient lines of communication and between the municipality and other spheres of government.
- Ensure efficient relations and sharing models of good practice with other municipalities.

## **COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

The Council of Makhado is committed to sustainable participation of its residents in all decision making processes. As a Municipality, the community was engaged through the existing public participation mechanisms and structures. Five (5) Izimbizos (public participation meetings) were held, four (4) IDP Representative Forum were coordinated in all Regions. Ward Committees met on a monthly basis to consider all service delivery issues at ward level, this system will need to improve in order to maximize corrective action to address service delivery backlogs. Other community stakeholders and interest group meetings were held throughout the year in order to listen and act on the needs of our people.

## **COMPONENT D: CORPORATE GOVERNANCE**

This component deals with issues of risk management, anti-corruption and fraud, supply chain management, by laws, websites, public satisfaction on municipal services and all municipal oversight committees. The risk management and anti-corruption issues were well addressed in the municipal manager's foreword in chapter 1 and the Audit and Performance Committee statement in this chapter. The supply chain management issue is well dealt with in component D of chapter 5.

Municipal By-laws promulgated in 2016/17 No new By-laws were promulgated during this financial year. Administration however keeps a Municipal Code of By-laws readily available for public reference.

The Municipal Website is hosted by SITA on behalf of Municipality. It was revamped during the year in question to be more user-friendly and interactive

Makhado Municipality website is always up to date. Both the information technology and communication units work together to ensure that right and well edited information is placed into the website. During izimbizos the community gets a chance to reflect back on the performance of the municipality. The quarterly performance reports are placed on the website for public consumption. The issue of municipal oversight committees well dealt with in chapter 2 of this report.

## **2.3. COMMITTEES APPOINTED BY COUNCIL**

### **2.3.1. Council Representatives in Vhembe District Municipality's Council**

The following councilors are representatives of Makhado Municipality in the Vhembe District Council:

**Cllr N S Munyai, Cllr M S Tshilambyana, Cllr T R Maingo, Cllr N Kutama, Cllr F N Madzhiga, Cllr M S Machete, Cllr T C Mamafha, Cllr R Raliphada, Cllr M J Mpashe, Cllr A N Mafhala, Cllr P Mashau**

### **2.3.2. Municipal Public Account Committee (MPAC)**

Municipal Public Account Committee for 2016/2017 is as follows:

**Cllr Malange T M (Chairperson)(full-time capacity), Cllr Maphaha M Q (passed away on 20 April 2017), Cllr Malivha N V, Cllr Mashamba M A, Cllr Ndou M D, Cllr Makgoadi M R, Cllr Raliphada R, Cllr Hlongwane B F, Cllr Tshibvumo G, Cllr Selapane M A**

### 2.3.4. The Audit And Performance Audit Committee

Makhado Local Municipality has established Audit and Performance Audit Committee as per the Municipal Finance Management Act section 166 committee which clearly states that each municipality is obligated to establish an independent Audit Committee in terms of section 166 of the MFMA, as amended. The Audit Committee advises the municipal Council, political office bearers, Accounting Officer and managerial staff on matters relating to:

- The Auditor-General and other external auditors;
- Systems of internal control (including internal financial control) and internal audit;
- Accounting policies;
- Performance management and effective governance;
- Compliance with MFMA and all applicable laws and regulations. Information technology; and
- Any other issues referred to it by the municipality.

### Risk Management

The accounting officer/Municipal Manager has committed Makhado Municipality to a process of enterprise risk management that is aligned to the principles of good corporate governance, as supported by Section 62(1) (C)(i) of the Local Government Municipal Financial Management Act (No. 56 of 2003) and chapter 4 of King III Report (Third report on corporate governance of South Africa). Risk management is recognised as an integral part of responsible management and therefore, Makhado Municipality has adopted a comprehensive approach to management of risk, the flawless process is clearly outlined in Risk Management strategy of the Municipality.

A lot of progress has been done with respect of enterprise risk management for example the establishment of a Risk Management Office, Risk and Anti-fraud & corruption Committee which is chaired by an independent external person to ensure transparency. Mr L S Mofokeng was appointed as Chairperson of the Risk Management Committee by Council Resolution on 29 June 2015 and he also reports to the Audit Committee on Risk Management matters. He gets remunerated for preparing and attending the meeting.

It is evident that the Committee is working efficiently, e.g. the risk management strategy/risk register of the municipality which is aligned to the IDP objectives was presented and noted by Council. The risk management strategy will ensure that the municipality receive early warning signs on service delivery issues. It is also evident that this progress is aligned to the SDBIP and performance agreements and plans of senior management to close any service delivery gaps that can emerge. Municipality has achieved level 4 which is 96% on assessment scale of 1 to 6, compared with the previous 3.9 rating indicating continuous improvement in our governance processes.

### Top twelve strategy risks are as follows:

No.	Strategic Risk
1	Services Delivery Failures
2	Financial Sustainability
3	Leadership and Government Risk
4	Ageing & Aged Infrastructure
5	Inadequate ICT governance & ICT Delivery risk
6	Fraud, Theft and Corruption

7	Inadequate skill set due to inability to attract & manage talent
8	Health, Safety & Security risks and Environmental welfare
9	Lack of competitiveness towards economic growth
10	Non Compliance with Legislation
11	Contracting & Contract Risk
12	Ineffective Spatial Planning

### 2.3.5. FRAUD AND CORRUPTION MANAGEMENT

Fraud and Corruption represent a significant potential risk to the Municipality's' assets, service delivery efficiency and reputation. The Municipality will not tolerate corrupt or fraudulent activities, whether internal or external to the institution and will vigorously pursue and prosecute any parties which engage in such practices or attempt to do so by all legal means available. Communities are also encouraged to report all incidents relating to fraud and corruption to the district shared hotline. As the Municipality we will ensure that all incidents reported are followed up and investigated. The hotline number is **0800 66 85 38** or **fraud@makhado.gov.za** or **fraud@kpmg.co.za**

### 2.3.6. EFFECTIVENESS OF INTERNAL CONTROL

The accounting officer/Municipal Manager has committed Makhado Municipality to a dynamic integral process that is continuously adapting to the changes the Municipality is facing as it is aligned to the principles of good corporate governance, as supported by Section 62(1)(C)(i) of the Local Government Municipal Financial Management Act (No. 56 of 2003) and chapter 4 of King III Report (Third report on corporate governance of South Africa).

Internal Control is recognised as an integral process that is affected by the Municipal's council, senior management, management and personnel as it is designed to address the risks faced by the Municipality and also to provide reasonable but not absolute assurance that in pursuit of the Municipality's mission and vision. Based on the above-mentioned, the following general objectives of Internal Controls are being achieved:

- Executing orderly, Ethical, Economical, Efficient and Effective Operations
- Fulfilling Accountability obligation
- Complying with applicable laws and regulations
- Safeguarding of Resources against loss, misuse and damages

The Municipality has done a lot in ensuring that the general objectives of internal controls are achieved by creating and establishment of the following structures:

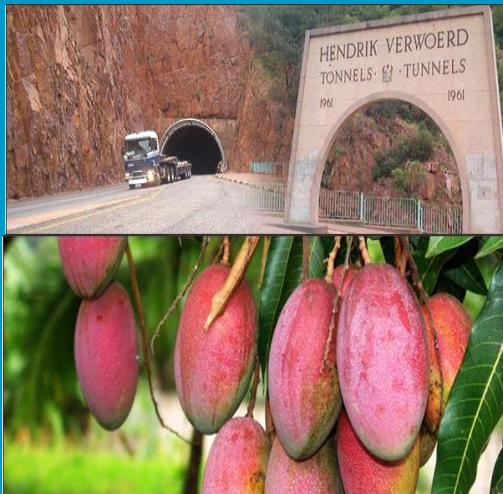
- Risk Management Unit
- Internal Audit Unit
- Performance Management Unit
- Anti-Fraud and Risk Management Committee chaired by an Independent person
- Audit and Performance Audit Committee chaired by an Independent person
- Municipal Public Accounts Committee
- Any other governance committee structure



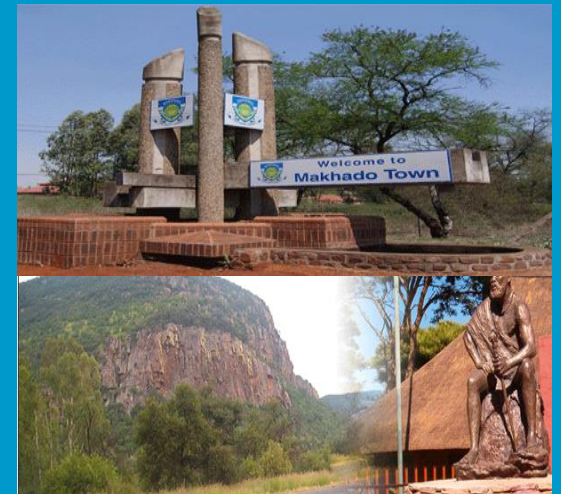


## CHAPTER 3

# SERVICE DELIVERY PERFORMANCE REPORT



## DRAFT ANNUAL REPORT 2016/2017





## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.1. OVERVIEW OF SERVICE DELIVERY

According to Census 2011, Makhado municipality service delivery backlog is summarized as follows:

<b>Service</b>	<b>Number</b>
Potable Water	129 224
Sanitation	66 048
Refuse Removal (household)	88 252
Housing	16 807

The electricity backlog amounts to ten thousand five hundred and seven (10 507) households which includes Eskom distribution area within the municipal jurisdiction and it is predominantly comprised of new developments and extensions. This backlog was determined by consolidation of data collected by respective Ward Councilors in affected areas and it is more realistic.

#### 3.1.1. Overview of Capital Projects Implemented

The municipality had in 2016/17 implemented ten (10) roads and storm water related projects of which one (1) was completed and nine (9) were rolled over to the financial year 2017/18. The sport facility project was implemented at Waterval Township and was also rolled over to 2017/18. The rolling-over of the infrastructure projects was attributed to the re-advertisement of bids in order to comply with Circular 29 of 2016 as issued by the Department of Cooperative Governance and Traditional Affairs (COGTA) on 22 July 2017. This circular required the municipalities to *“refrain from entering into any large scale procurement of especially assets and immovable property”*. The municipality further implemented seven (7) electrification projects in various villages which covered one thousand one hundred and nine (1109) households. Four (4) electrification projects were designed for construction in 2017/18 financial year.

#### 3.1.2. Bulk Water and Sanitation Projects

Vhembe District Municipality (VDM) is responsible for water and sanitation services as the Water Services Authority (WSA) in accordance with the Water Services Act 108 of 1997. The Department of Water and Sanitation is in the process of constructing bulk water supply pipeline including a pump station from Nandoni Dam to Makhado Town. The project is envisaged to be completed in year 2018 to improve the current insufficient bulk water supply. VDM has implemented the following projects within the municipality and are still in construction stage: Makhado West Bulk Water Phase 3 and the Mulima, Likhade, Lambani and Pfananani Water Supply. There is a wastewater treatment plant in Makhado Town which was completed by VDM in the 2013/2014 financial year. VDM envisages upgrading the capacity of the wastewater treatment plant to 10 mega liters per day in future, pending the availability of funds. The Department of COGHSTA has upgraded sewer network in Tshikota Township from which 180 households benefitted.

#### 3.1.3. Electricity Connections Performed

A total of one thousand three hundred and nine (1309) households have been supplied with electricity connections in 2016/17 of which one thousand one hundred and nine (1109) were energized by the municipality and two hundred (200) by Eskom. In terms of settlements within the municipality's electricity distribution licensed area, all households have already been originally provided with electricity except for new settlements and extensions.

Some of the areas require post connections or the provisioning of additional supply points in terms of the supply policy. This additional connections made by both ESKOM and the municipality in the financial year 2016/17 have reduced the electricity services backlog by a solid 9.2% of the 2015/16 statistics as per data collected from affected wards.

#### **3.1.4. Roads Upgrading and Rehabilitation**

The municipality was in the process of upgrading ten (10) roads from gravel to asphalt in various rural areas within all the regions of the municipality. One project has been successfully completed whereas nine (9) have been rolled-over to 2017/18 due to delays caused by re-advertisement of tenders following the directives by COGTA as per Circular 29 of 2016. Of the ten (10) roads that have been identified for upgrading, six (6) belong to the Department of Public Works, Roads and Infrastructure and were planned and designed according to Roads Agency Limpopo (RAL) standards. Five (5) short streets were in the process of being rehabilitated in Makhado Town covering a total length of 1.7km.

### **3.2. BASIC SERVICES**

Below is the information relating to water; wastewater (sanitation); electricity; solid waste management (refuse removal) and provision of housing for the poor, as well as a summary of delivery of free basic services.

#### **3.2.1 WATER SERVICES**

There is generally a challenge of insufficient bulk water supply in the municipality. The available bulk water resources are inadequate to meet the current population demand. There are existing five (5) raw water sources (RWS) i.e. Vondo RWS, Mutshedzi dam RWS, Tshitale dam RWS, Middle Letaba dam RWS and Albasini dam RWS which have been overtaken by the growth in population and subsequent consumption demand. These RWS are not sufficient to even meet the minimum requirements of the Department of Water and Sanitation's White Paper of 1994 and the Guidelines for Human Settlement Planning and Design. According to the guidelines, the maximum walking distance to a communal water tap is 200m with 98% reliability or at least 25 litres of potable water per person (capita) per day.

Makhado Municipality is since 2003 not the Water Service Authority (WSA) in its own municipal area, but performs the operational function of water in terms of a Service Level Agreement on behalf of VDM as the Water Service Provider (WSP) in proclaimed areas like Makhado, Tshikota, Waterval, Vleifontein, and Dzanani. VDM is responsible for water supply in other areas which are mainly rural. This arrangement is very challenging due to the multiple activities related to operation and maintenance because of non-compliance with clauses related to remuneration of services. The municipality was not being reimbursed by the WSA for expenditures incurred for personnel, materials, meter reading, tankering and equipment in operation and maintenance of water and sanitation services as required by the above mentioned agreement.

The existing infrastructure particularly in Makhado Town and other proclaimed townships is aged and results with frequent pipe breakages. Majority of the two hundred and ninety seven (297) rural villages in the municipality are served by means of communal stand pipes/taps with water being sourced from boreholes which are not a reliable source of water supply. The municipality augments water supply by means of water tanker.

The Makhado Municipality has inadequate and fragmented water service provision with different standards and plans.

There is inadequate water provision for agricultural use and this threatens the local economic development because this is one of the main pillars of job creation. Unauthorized water connection is also amongst the key challenges of the municipality and this amount to unaccounted water loss and unfair distribution of this scarce commodity.

**Table 6:** Access to Water

	<b>Proportion of households with access to water points</b>	<b>Proportion of households with access to piped water</b>	<b>Proportion of households receiving 6 kl Free Basic Water</b>
2012/13	48%	48%	29%
2013/14	56%	56%	35%
2014/15	58%	58%	35%
2015/16	58%	58%	55%
2016/17	58%	58%	63%

### **3.2.2. SANITATION SERVICES**

Majority of the rural villages do not have proper sanitation facilities and individual households have to dig their own pit latrines and others are provided by government through the VDM and COGHSTA programmes. Approximately nine thousand seven hundred and thirty four (9,734) households do not have sanitation facilities at RDP standard [RDP standard for sanitation is at least an air ventilated pit latrine] The overall sanitation system needs improvement as there is no system to adequately address the plight of filled VIP toilets. VDM has constructed 400 VIP toilets within the municipality in 2016/17 so as to reduce the prevalent backlog.

In addition, shortage of water supply impacts on water-borne sewerage systems because solid effluents cannot consistently flow in the sewage pipes resulting in substantial blockages. The existing sewer mains are aged and frequently collapse underground causing sewer pipes to block. This results with spillage of sewage and to some extent the contamination of the nearby natural streams which is against the National Environmental Management Act.

Since 2003, Makhado Municipality is not a Water Service Authority (WSA) in its own municipal area, but performs the operational function of water in terms of a Service Level Agreement on behalf of VDM as the Water Service Provider (WSP). This arrangement is very challenging due to the multiple activities of waste water collection, purifying and disposal thereof according to acceptable standards with all the maintenance requirements, especially in the area of procurement of materials, goods and services. The municipality is not being reimbursed by VDM for expenditures incurred for water provisioning in keeping with the mentioned agreement.

**Table 11: Access to Sanitation**

Description	2013/14		2014/2015		2015/16		2016/17	
	Targ et	Actu al	Targ et	Actu al	Targe t	Actua l	Targe t	Actual
	No.	No.	No.	No.	No.	No.	No.	No.
<u>Sanitation/sewerage:</u> (above minimum level)								
Flush toilet (connected to sewerage)	None	None	None	None	None	None	None	None
Flush toilet (with septic tank)								
Chemical toilet	None	None	None	None	None	None	None	None
Pit toilet (ventilated) VIP Toilets	400 0	4000	5000	4 505	2181	1390	400	400
Other toilet provisions (above minimum service level)	None	None	None	None	None	None	None	None
<i>Minimum Service Level and Above sub-total</i>	None	None	None	None	None	None	None	None
<i>Minimum Service Level and Above Percentage</i>	None	None	None	None	None	None	None	None
<u>Sanitation/sewerage:</u> (below minimum level)								
Bucket toilet	None	None	None	None	None	None	None	None
Other toilet provisions (below minimum service level)	None	None	None	None	None	None	None	None
No toilet provisions	None	None	None	None	None	None	None	None
<i>Below Minimum Service Level sub-total</i>	None	None	None	None	None	None	None	None
<i>Below Minimum Service Level Percentage</i>	None	None	None	None	None	None	None	None

Makhado Municipality is the beneficiary on water services provision from the WSA. The information provided from the IDP of the WSA is a district wide data (not specific to local municipalities).

**Table 7: Service Targets**

Financial Year	2013/2014		2014/2015		2015/2016			2016/2017		
Service Targets	Targe t	Actual	Targe t	Actua l	Targe t	Actua l	Remedi al Action	Targe t	Actua l	Remedi al Action
Number of Households (HHs) provided with minimum sanitation during the year	25 112  8 251	25 112  8 251	None	None	None	None	None	None	None	None

\*VDM is the registered WSA/WSP and holds these figures. The Makhado data base does not reflect on accurate totals for this table.

### **3.2.3 ELECTRICITY SERVICES**

According to statistics collected from affected wards, about nine thousand one hundred and ninety eight (9198) households are without electricity and this figure is comprised of new settlements and village extensions and mainly in the Eskom distribution licensed area. The municipality has a FBE Policy targeted at poor households which are referred to more fully herein below. There are households which rely on their own solar grids as sources of energy like Songozwi and Buysdorp; however the census statistics indicate that there is no solar energy in the municipality. The areas are located far from the existing power lines. The solar grids were installed without the consent of the municipality.

#### **3.2.3.1 Overview**

This service is the distribution of electricity in the Makhado Municipality's distribution license area which includes the supply, maintenance and operation as well as the bulk purchase and sales of electricity.

#### **3.2.3.2 Description of the activity:**

The Municipality has a joint responsibility with Eskom to electrify and service all customers as well as households. The Municipality has a licensed area and Eskom has a licensed area in the jurisdiction of Makhado Municipality to distribute electricity.

#### **3.2.3.3 The Municipality has a mandate to:**

Distribute electricity in terms with its electricity supply distribution license issued by the NERSA, the Electricity Act (as amended), the OHS Act and its regulations, Council Policies, Practices, Procedures, Standards and Electricity By-Laws.

#### **3.2.3.4 The 4 key issues for 2016/17 were:**

- i) Energy loss programme and new tariff determination
- ii) To secure a loan for the bulk supply and substation upgrades.
- iii) Supply and maintain effective electrical service to all customers in Makhado Municipality.
- iv) Reducing Electricity household backlog.
- v) Embarked on an energy efficiency plan and revenue enhancement

**Table 8: Electricity Service Delivery Levels**

Electricity Service Delivery Levels				
Households				
Description	2013/2014	2014/2015	2015/2016	2016/2017
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Electricity (at least minimum service level)	90120	94626	99357	100666
<i>Energy</i> : (below minimum level)	35562	35918	39509	38200
Total number of households	125682	130544	39509	38200

**Table 9: Service Targets**

Financial Year		2014/2015		2015/2016		2016/2017		
Service Targets		Target	Actual	Target	Actual	Target	Actual	Remedial Action
<i>Provision of minimum supply of electricity</i>	Number of HHs below minimum supply level	471	471	1180	746	1109	1109	None

**Table 10: Electrification Projects 2016/17: Electricity services**

NO	DESCRIPTION	SOURCE	BUDGET	EXPENDITURE
1	Rathidili Tshikhwani	INEP	R 827 325.12	R 725 717.68
2	Maname Paradise	INEP	R 231 742.56	R231 742.56
3	Ratombo sections(Tshituni tsha fhasi) Ph-2	INEP	R 2 145 012.90	R 1 362 495.00
4	Tshiozwi/Gogobole Phase-2	INEP	R 1 496 243.67	R 1 287 225.35
5	Magau/Makhitha/Tshikodobo/Zamekomste Ph-2	INEP	R 1 537 600.70	R 976 647.53
6	Mamburu Phase-2	INEP	R 912 259.20	R 1 321 289.32
7	Madabani	INEP	R 231 742.56	R 170 090.11
8	Sukani Phase-2	INEP	R 1 398 799.19	R 1 319 755.75
9	Freedom / Lusaka Phase-2	INEP	R 1 809 876.48	R 1 295 329.88
10	Manavhela / Madodonga phase 2	INEP	R 3 571 969.23	R 3 399 186.58
11	Mavhunga (Muromani)	INEP	R 369 886.38	R 323 966.82
12	Vyeboom Electrification	INEP	R 867 542.00	R 761 001.37

### **3.3 REFUSE REMOVAL SERVICES (WASTE MANAGEMENT)**

Municipality is responsible for operating and maintaining a solid waste management service (refuse removal) dealing with solid waste collection, storage and management thereof, particularly at household and business level. There are two permitted landfill sites, one in operation and full to capacity, another new one has been developed and to start with the operation on the 01 July 2017. There are two licenses/permits for waste transfer stations within the municipality (Waterval and Dzanani). One in Dzanani Region has been developed and the one for Waterval could not be developed due to land dispute. The municipality is currently looking for another alternative land within Waterval Region for the development of the refuse transfer station. There are six developed waste drop-off facilities and 174 waste still bin planted in Sinthumule/Kutama area and the municipality started with the distribution of refuse skip bins in rural areas. The division appointed 120 EPWP project workers as part of Nakisani Vhupo Hashu which is aimed to improve waste management service standard and at the same time alleviating poverty. Other areas of Vuwani has fallen under LIM 345 Municipality as a result, the number of households has reduced from 19149 to 17267

#### **3.2.1 Overview**

Fully fledged domestic and business refuse removal services are delivered with own staff in Makhado Town and the three R293 towns which are Dzanani, Waterval and Vleifontein. This is done once per week in the households; and twice per week in business premises collection points.

Refuse collection and cleaning up of public open spaces in rural areas totaling 5190445.5 m<sup>2</sup> area forms part of the service. Waste Management is further done through control and operation of one (1) permitted waste landfill site of 10ha in extent. Recycling of waste at the official waste landfill site by a private company which employed forty (40) people.

This unit further cleans main routes in towns and villages by removing branches and other objects from the surface of roads, by removing carcasses of animals and undue waste that are dumped illegally as and when reported or when discovered upon road inspections. Clean up campaigns and workshops on waste minimization and on the impacts of poor handling of waste (illegal dumping & burning) to the environment are conducted from time to time. It further assesses monitors and clean overgrown grass and shrubs in both private and public land using 10 EPWP project workers. Emerging waste recycling companies and the formation of entrepreneurs are supported and the emphasis on separation of waste at the source is further encouraged.

#### **3.2.2 Challenges experienced**

The following are challenges experienced in the solid waste management function of the municipality:

- Aged personnel and equipment.
- Insufficient fund for the rehabilitation of the old landfill site and purchase of new equipments.
- Used disposable nappies which are disposed of at public areas,
- Illegal waste dumps,
- Collection of funds from incoming generation of waste,
- Lack of capacity for law enforcement.
- Poor road infrastructures for waste collection
- Ignorance from the public for best practice of waste management

### 3.2.3 Intervention strategy to address challenges

- To develop additional waste management facilities,
- To intensify revenue collection with regards to waste collection
- To intensify education and awareness campaigns towards waste and environment.
- To finalize the rehabilitation of the old landfill site.

**Table 1: Solid Waste Service Delivery Levels**

Solid Waste Service Delivery Levels					
				Households	
Description	2014/2015	2015/2016	2016/2017		
	Actual	Actual	Actual	Remedial Action	
	No				
<b><u>Solid Waste Removal: (Minimum level)</u></b>					
Removed at least once a week	12787	19149	15481	Increase collection points by 2%	
<i>Minimum Service Level and Above sub-total</i>	12787	19149	15481		
<i>Minimum Service Level and Above percentage</i>	9.13%	14,8%	13,3%		
<b><u>Solid Waste Removal: (Below minimum level)</u></b>					
Removed less frequently than once a week	0	0	0		
Using communal refuse dump	0	0	0		
Using own refuse dump	0	0	0		
Other rubbish disposal	0	0	0		
No rubbish disposal	116978	110516	100890		
<i>Below Minimum Service Level sub-total</i>	116878	110516	100890		
<i>Below Minimum Service Level percentage</i>	90.13%	85.2%	86,7%		
<b>Total number of households</b>	12787	19149	15481		



**Table 2: Households - Solid Waste Service Delivery Levels below the minimum**

Households - Solid Waste Service Delivery Levels below the minimum						
					Households	
Description	2014/15	2015/16	2016/17			
				Original Budget	Adjusted Budget	Actual
				No.	No.	No.
Formal Settlements						
Total households	129 665	19149	15481			15481
Households below minimum service level	116878					
Proportion of households below minimum service level	90.13%	14.8%	13,3%			13,3%
Informal Settlements						
Total households	0	0	0			
Households below minimum service level	0	0	0			
Proportion of households below minimum service level	0	0	0			

**Table 3: Capital Expenditure 2016/17: Waste Management Services**

Project Name	Location	Budget
Rehabilitation of the existing landfill site	Eltivillas	R 3 000 000.00
Purchased 1 x TLB	Makhado	R 1 000 000.00
Upgrading of Dzanani Refuse Transfer Station	Dzanani	R 8 00 000.00
Construction of Waterval Refuse Transfer Station	Waterval Station	R 500 000.00

**Table 4: Households - Solid Waste Service Delivery Levels below the minimum**

Households - Solid Waste Service Delivery Levels below the minimum						
					Households	
Description	2013/14	2014/15	2015/16	2016/17		
				Original Budget	Adjusted Budget	Actual
				No.	No.	No.
Formal Settlements						
Total households	129 665	129 665	19149	2 269 967.00	2 269 967.00	2 269 967.00
Households below minimum service level		116878		100890		
Proportion of households below minimum service level	90.13%	90.13%	14.8%	13.3%		
Informal Settlements						
Total households	0.00	0	0	0		
Households below minimum service level	0	0	0	0		
Proportion of households below minimum service level						

**Table 5: Capital Expenditure 2016/17: Waste Management Services**

Project Name	Location	Budget	Adjusted Budget	Progress Made	Challenges	Measures for Improvements
Rehabilitation of the existing Waste landfill site	Eltivillas	R 3 000 000.00	0	Target not achieved. Hiring of the bull dozer, excavator and tipper truck for levelling, covering of waste with soil. The site has been closed on 30 June 2017	The full rehabilitation of the site is pending for the completion of the development of the new landfill site.	To start with the operation as from the 01 July 2017.
Purchased 1 x TLB	Makhado	R 1 000 000.00	0	Target Achieved	n/a	n/a
Upgrading of Dzanani Refuse Transfer Station	Dzanani	R 8 00 000.00	0	Target not achieved. Supply of electricity, drawn and approval of infrastructure plans	Infrastructure plans which not submitted	

Project Name	Location	Budget	Adjusted Budget	Progress Made	Challenges	Measures for Improvements
Construction of Waterval Transfer Station	Waterval Station	R 500 000.00		Target not achieved. Non availability of land	Non availability of land	Budgeting for planning for the refuse transfer station

### 3.2.4 Performance Summary Overall

The waste management unit did perform as expected regarding implementation of Capital Projects. The rehabilitation of the landfill site is still in progress. The construction of the new landfill site has been completed. Dzanani Refuse transfer station was upgraded to the required standards, and 1 x TLB was purchased

## 4. COMMUNITY & SOCIAL SERVICES

The recording under this paragraph includes information about municipal public, community halls, cemeteries and crematoria, child care, aged care and social programmes.

### 5. Municipal Public Libraries

The municipality is owning and managing one library services on a fully fledged public library and 10 satellite libraries. The municipality is also coordinating three libraries which are falling under Department of Sport, Arts and Culture. The municipality participate in Readathon, Library week, World book day and Buck to School Campaign. The main challenges are as follows;

- Lack of reading space
- Lack of personnel
- Delay in the provision of updated materials and furniture

The refurbishment of library roof was completed during the 2016/17 financial year.

**Table 7** Capital Expenditure 2016/17: Library Services

Project Name	Location	Budget	Progress Made	Challenges
Refurbish library building	Makhado Library	1 200 000	Target Achieved	None

### 6. Municipal Parks and Cemeteries

Municipality own and managing six (6) municipal cemeteries in terms of its Cemetery By-laws. The ablution facility for Tshikota cemetery was upgraded to the required standards. The municipality owns and maintaining 29 parks which are situated in Louis Trichardt Town, out of that, three parks which are Meerkat park, Makhado Park, Civic Centre Park were upgraded during 2016/17 financial year.

**Table 7 Capital Expenditure 2016/17: Parks and Cemeteries Services**

Project Name	Location	Budget	Progress Made	Challenges
Development of E59 and E60 Park (Makhado Town)	Makhado Town	400 000.00	Target not achieved	Submitted quotation were high than budget
Refurbishment of Potgieter Park	Makhado Town	300 000.00	Target Not Achieved	Submitted quotation were high than budget
Construction of Tshikota cemetery ablution facilities	Makhado Town	200 000.00	Target Achieved	None
Paving open Erf 1 -N1	Makhado Town	100 000.00	Target not Achieved	Submitted quotation were high than budget

## 7. Municipal crematoria and heritage

There is one crematorium which is mostly used by the Muslim community. The municipality provide basic maintenance. The Municipality also performs some **agency functions** at heritage sites such as Dzata Museum.

## 8. Disaster Management services

Disaster Management Unit provide immediate relief within 72 hours after an incident or disaster had occurred. The unit is having two officials who are being assisted by Ward Councillors and Ward Committee members to respond. Assess and provide with immediate relief once the disaster or incident has occurred.

The following challenges were experience by Disaster Management section during 2016/17 financial year.

- Unplanned settlement and building at flood line areas
- Limited budget as result of unclear mandate
- Shortage of Disaster Relief Equipment's. like tents
- There is no Disaster officials at Regional level

**Table 7 Capital Expenditure 2016/17: Disaster Management Services**

Project Name	Location	Budget	Progress Made	Challenges
Annual Revision of the Disaster Management Plan	Makhado	N/A	Target Achieved	None

## 9. Environmental Health

The section managed by 1 x Senior Environmental Health Officer who is responsible for safeguarding the wellbeing of the community by Promoting and controlling of environmental health factors within Makhado Town (Louis Trichardt). The section is currently affected by devolution of function which is now in court. The section has initiated and run the collection and disposal of SHE bin project which aim to reduce the health hazard within the municipal buildings.

## 10. Protection services

The Protection services are spread and rendered throughout the following (3) municipal regions: (Makhado; Dzanani, Waterval and remainder of Vuwani Region). The municipality renders Security Services at all the municipal properties situated in all the (3) Regions. This includes provision of security for revenue collected at various municipal pay points. The Division is composed of Traffic Law Enforcement, Registering Authority, Vehicle Testing Station and Driving License Testing Centre.

**Table 7 Capital Expenditure 2016/17: Protection Services**

Project Name	Location	Budget	Progress Made	Challenges
Establishment of Watervaal Registering Authority	Waterval	200 000.00	Target Not Achieved	Conflict between the department and service provider

### 3.2.4.2. Performance Summary Overall

The waste management unit did perform as expected regarding implementation of Capital Projects. The rehabilitation of the landfill site is still in progress. The construction of the new landfill site is also on progress.

### 3.2.5 Housing for the poor

The provision of housing is the mandate of the Provincial Department of Cooperative Governance, Human Settlement and Traditional Affairs (COGHSTA) and the municipality plays an active role in the coordination of the housing development projects by making land available for such development, providing lists of beneficiaries, identifying challenges and resolving them with local stakeholders like Ward Committees and traditional leaders. Disputes over ownership, illegal transfer and occupation, illegal connection of electricity and water in various project areas like Tshikota, Hlanganani Township, Vyeboom and other areas are still a concern. The Makhado IDP for 2015/2016 indicates the housing backlog at 16,807 units.

Housing Service Objectives: To facilitate provision of quality housing												
Service Indicators: Number of people included in the data base												
Financial Year	2012/2013		2013/2014		2014/2015		2015/2016		2016/2017			
Service Targets	Targ et	Actu al	Targ et	Actu al	Targ et	Actu al	Targ et	Actu al	Targ et	Actu al	Remedi al Action	
Service Objectiv es	950	950	880	879	800	660	600	596	400	396		

**N.B** CoGHSTA is busy with 2015/16 housing backlogs

### 3.3. DELIVERY OF FREE BASIC SERVICES

Council adopted a Tariff and Free Basic Services Policy for the 2016/17 financial year clearly outlining its relief in the form of free basic services as well as a Policy of a Subsidy Scheme for Indigent Households which in conjunction forms the rules for delivering free basic services. An extract from the Tariff policy reads as follows- "Free basic municipal services refer to those municipal services necessary to ensure an acceptable and reasonable quality of life and which service, if not provided, could endanger public health or safety or the environment. In terms of the South African Constitution all consumers should have access to basic services. Currently, the free basic services provided to the domestic consumers within the Makhado Local Municipality are as follows:

- *Free minimum water (6 kiloliters per month) for all household consumers whereof the extent is annually determined during the adoption of the operational budget;*
- *Free distribution of electricity (30 units per month) for all household consumers whereof the extent is annually determined during the adoption of the operational budget; and*
- *Full subsidy for Sanitation and Refuse Removal Services to all indigent households that qualify in terms of the Council's current indigent policy."*

**Table 11: Free Basic Service Targets**

<b>Free Basic Service Policy Objectives: To provide sustainable, reliable, safe and affordable water services.</b>									
<b>Service Indicators: Number of Low income households receive all the free basic services</b>									
<b>Financial Year</b>	<b>2013/14</b>		<b>2014/2015</b>		<b>2015/2016</b>		<b>2016/17</b>		
<b>Service Targets</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Remedial Action</b>
<b>Service Objectives:</b>									
<i>Provision of alternative support to low income households that do not receive all Free Basic Services</i>	Water	38,204		60,375		38204	38204		
	Sanitation	8,251		90,430		8251	8251		
	Electricity	34,693		6,822		34693	34693		
	Refuse Removal	119,809		119,809		119809	119809		
	Housing	18,286		17,754		17754	17754		

**Free Basic Water (FBW):** The intention of the municipality's free basic water (FBW) Policy is to ensure that no one is completely denied access to water supply and sanitation as a result of their inability to afford or to pay for these services. The recipients of FBW are all metered and billed households within the municipality.

**Free Basic Sanitation (FBS):** Free Basic Sanitation service is targeted to all poor households receiving an indigent subsidy monthly. For this purpose an indigent register is kept and updated annually. Council also adopted a Policy of a Subsidy Scheme for Indigent Households for the 2016/17 financial year.

**Free Basic Electricity (FBE):** The first 50 Kilowatts units of electricity per month are given to the indigent households free of charge. For this purpose an indigent register of households earning less than R1, 880 per month and /or are unemployed is kept and updated annually. Approximately nineteen thousand three hundred and forty (19 340) indigent households in both Eskom and the Municipal distribution licensed areas are receiving FBE. A further number of one thousand one hundred (1,100) households are using the Solar Energy system in areas where there is no electrical grid and they also receive the FBE subsidy. The Municipality annually concludes a formal Agreement with Eskom in respect of FBE clients located in their distribution area who are entitled to FEB to arrange for the necessary payments.

### **3.4. OTHER MUNICIPAL SERVICES**

#### **3.4.1 Roads and Storm Water Drainage**

The internal street networks in the rural areas are predominantly gravel and are generally in a bad state. Most of these villages are located in a predominantly clay and mountainous areas which hamper proper access to the communities particularly during the rainy season. There are either inadequate or no proper stormwater and drainage systems in rural areas which result in severe erosion of streets as well as damming of water. Most of the roads linking the villages are graveled and lack proper maintenance and cannot be used in very wet conditions.

The streets in Makhado town and the proclaimed townships are generally tarred and provided with storm water drainage systems. Most of the tarred streets are in bad condition and need to be rehabilitated. In general, the roads in Makhado Municipal area are in a bad condition and require either upgrading or rehabilitation to be accessible during all weather conditions.

The total road and storm water management system backlog is estimated at approximately four thousand three hundred and four (4,304) km. The largest backlog is in Dzanani, Waterval and Levubu regions in which most of the villages are located in mountainous, rocky and clayish positions which aggravate the condition. These regions require more tarring to improve the condition. The Municipality has an annual program for the upgrading of roads from gravel to tar over a term of years. The roads and stormwater roads that were implemented in 2016/17 financial year were in Gombita, Tshirolwe, Mudimeli, Tshedza, Tshilaphala, Zamekomste, Valdezia, Mashamba and Piesanghoek (Matshavhawe) villages.

**Table 12 Gravel Road Infrastructure**

<b>Gravel Road Infrastructure</b>				
<b>Kilometers</b>				
	<b>Total gravel roads</b>	<b>New gravel roads constructed</b>	<b>Gravel roads upgraded to asphalt</b>	<b>Gravel roads graded /maintained</b>
2010/11	4400km	0	8km	6014km
2011/12	4392	0	21.8KM	6014km
2012/13	4370	0	12KM	6014km
2013/14	4347	0	23km	3445km
2014/15	4324	0	6km	4318km
2015/16	4308	0	16km	4308km
2016/17	4304	0	4km	4304km

**Table 13 Asphalt Road Infrastructure**

<b>Asphalt Road Infrastructure</b>					
<b>Kilometers</b>					
	<b>Total asphalt ed roads</b>	<b>New asphalt roads</b>	<b>Existing asphalt roads rehabilitated</b>	<b>Existing asphalt roads re-sealed</b>	<b>Asphalt roads maintained</b>
2011/12	26.3km	21.8KM	4.5KM	21.8KM	6014KM
2012/13	15km	12km	3km	12km	6014km
2013/14	23km	17.9km	5.1km	17.9km	3445km
2014/15	24km	6km	16km	16km	3445km
2015/16	16km	16km	0km	0km	3461km
2016/17	4km	4km	1.7km	0km	3465km

**Table 14 Cost of Construction/Maintenance:**

<b>Cost of Construction/Maintenance:</b>					
	<b>Gravel</b>			<b>Asphalt</b>	
	<b>New</b>	<b>Gravel – Asphalt</b>	<b>Maintained</b>	<b>New</b>	<b>Re-worked</b>
2010/11		0	0	0	0
2011/12		R170 000 000	R36 800 000		R4 000 000
2012/13		0	0	0	0
2013/14		0	0	R55 000 000	R12 400 000
2014/15		R118 300 000	0	0	R27 200 000
2015/16		R112 600 000	R11 100 000	R112 600 000	0
2016/17		R105 346 000	R5 489 191	R105 346 000	R3 044 775

The cost of upgrading above includes the additional funds awarded to the municipality for good performance in MIG expenditure during 2015/16 financial year. During the year under review the municipality experienced challenges with the engagement of the graders as they were often out of operation.



**Table 15** Capital Expenditure 2016/17: Road Services

<b>Project Name</b>	<b>Budget</b>	<b>Budget Adjustment</b>	<b>Actual Spending</b>	<b>Variance</b>
Sereni Themba to Mashamba post office access road	R11 800 000.00	R11 800 000.00	R 8 696 018.75	R 3 103 981.25
Chavani to Bungeni access road	R9 246 000.00	R13 254 837.11	R 13 375 237.98	R -120 400.87
Tshikwarani to Zamkomste Road	R11 800 000.00	R9 291 162.89	R 5 367 106.08	R 3 924 056.81
Tshirolwe,Matsa to Manyii road	R11 800 000.00	R11 300 000.00	R 9 240 254.55	R 2 059 745.45
Tshedza to Vuvha road.	R11 800 000.00	R11 800 000.00	R 6 858 750.36	R 4 941 249.64
Gombiti,Tshivhuyuni to Mamphagi	R11 800 000.00	R 9 428 286.31	R 3 843 039.98	R 5 585 246.33
Valdezia Xitacini to Jiweni access road	R11 800 000.00	R11 300 000.00	R 12 123 472.16	R -823 472.16
Piesanghoek to Khunda Road Phase II	R15 000 000.00	R15 000 000.00	R 6 917 766.34	R 8 082 233.66
Mudimeli Bridge and Access Road	R12 239 127.72	R12 239 127.72	R 11 357 181.10	R 881 946.62
Tshivhulana to Tshilaphala Ring Road Phase II	R13 132 436.73	R13 132 436.73	R 8 457 683.63	R 4 674 753.10

**Table 16** Developments of Municipal Roads

<b><i>Development of municipal roads as required</i></b>	18.6 kms of municipal roads developed
2009/10	8km
2010/11	21.8km
2011/12	12km
2012/13	23km
2013/14	25.2km
2014/15	26km
2015/16	21.9km
2016/17	4km

Storm water management structures are provided for during the designs and construction of roads. This is attributed to municipality financial status.

### 3.4.2 Transport: Vehicle Licensing & Traffic Services

Municipality is an agent of Department Transport for the issuing of vehicle licenses which also includes testing of vehicles as part of vehicle licensing procedure. For this task the Municipality retains 20% of income generated from this source which does not cover its operational costs to perform the function.

**Table 17** Transport: Vehicle Licensing & Traffic Services

	2014/2015			2015/2016			2016/2017		
	Actual Budget	Original Budget	Adjustment	Actual Budget	Original Budget	Adjustment	Actual Budget	Original Budget	Adjustment
Department of Transport 80%	R14' 077, 782.13	R14' 077, 782.13	-	R 161 37 832.97	R 161 37 832.97	-			
Municipality 20%	R4'222,711.80	R4'222,711.80	-	R 396 5824.98	R 396 5824.98	-			

### 3.4.3 COMMUNITY & SOCIAL SERVICES

The recording under this paragraph includes information about municipal public, community halls, cemeteries and crematoria, child care, aged care and social programmes.

#### 3.4.3.1 Municipal Public Libraries

The municipality is coordinating library services on one fully fledged public library and 15 satellite libraries. The municipality also participate in Readathon, Library week and World book day. The main challenges are as follows;

- Lack of reading space
- Delay in the provision of updated materials and furniture

#### 3.4.3.2 Municipal Cemeteries

Municipality operates six (6) municipal cemeteries in terms of its Cemetery By-laws.

#### 3.4.3.3 Municipal crematoria and heritage

There is one crematorium which is mostly used by the Muslim community. The municipality provide basic maintenance. The Municipality also performs some **agency functions** at heritage sites such as Dzata Museum.

#### 3.4.3.5 Community Halls

Municipality has ten (10) community halls which are managed and controlled for use by members of the public.

### 3.4.5 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Special programmes are located in the Office of the Mayor and they include programs to promote the interest of youth, women, the aged, HIV/AIDS campaigns, Arts and Culture activities, Sports and Recreation activities, Moral Regeneration activities, Children, Traditional Affairs and Batho Pele. Council has established structures for each category which is governed in terms of national, provincial and local legislation and by laws respectively.

Funds are annually allocated by Council to finance programmes for implementation of activities as outlined in the SDBIP approved by Council on an annual basis. The structures are functional and various capacity building programmes have gone a long way in providing required skills and knowledge for members. Increased budget allocation can maximise impact of special programmes.

**Table 18** Child Care; Aged Care; Social Programmes

<b>Child Care; Aged Care; Social Programmes Objectives: To coordinate support , and provide youth, women, elderly, disabilities, children, aged, men and HIV/AIDS</b>									
<b>Service Indicators: Number of special programmers meeting coordinated and supported.</b>									
<b>Financial Year</b>	<b>2013/14</b>		<b>2014/15</b>				<b>2016/17</b>		
<b>Service Targets</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Remedial Action</b>
<b>Service Objectives:</b>									
<b>Women's Forum</b>	4	3	4	4	4	4			
<b>Senior Citizen Forum</b>	4	3	4	4	4	4			
<b>Youth Programme</b>	4	3	4	4	4	4			
<b>Moral Regeneration</b>	0	0	4	4	4	4			

### 3.5. MUNICIPAL INFRASTRUCTURE GRANT (MIG) EXPENDITURE

The municipality's actual spending is highlighted under "Actual Expenditure", whereas the difference in actual spending and final approved budget is highlighted under "Variance Adjustment Budget". Makhado municipality has spent 100% of MIG.

**Table 19 Municipal Infrastructure Grant Expenditure**

Municipal Infrastructure Grant (MIG)* Expenditure 2016/17 on Service backlogs						
Details	Budget Approved	Adjustment Budget Approved	Actual Expenditure	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
<b>Infrastructure - Road transport</b>						
<i>Roads, Pavements &amp; Bridges</i>	R 120 417 564	R 118 545 851	R 86 236 511	R 34 181 054	R 32 309 340	None
<i>Storm water</i>	Included above					

### 3.6. ORGANISATIONAL SDBIP PERFORMANCE

Further full information about the performance of each municipal department in regard to its specific functional areas, are recorded in performance scorecard format and can be viewed in detail in ANNEXURE A.

### 3.7. PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

#### 3.7.1. INTRODUCTION TO PLANNING AND DEVELOPMENT

This section provides brief overview of the opportunities and challenges in the fields of economic development and physical planning field for the municipality. This set out in brief the main elements of the planning strategies (and make particular reference to achievements and challenges in 2016/17); Town Planning; and building regulation and enforcement). It set out service delivery priorities and the impact it had. It further set out measures taken to improve performance and the major programmes achieved during the year.

The department managed to appoint municipal planning tribunal and the appeal authority. The above committees are required in terms of spatial planning and land use management Act 16 Of 2013. The municipal planning tribunal has been functional

**Table 20 Applications for Land Use Development**

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
Planning application received	0	0	102	27	497	172
Determination made in year of receipt	0	0	102	27	497	
Determination made in following year	01	N/A	N/A	N/A	N/A	
Applications withdrawn	0	N/A	0	0	0	
Applications outstanding at year end	0	N/A	0	0	0	

**Table 21 Spatial planning Targets**

Service Indicators		2014/15		2015/16		2016/17		
Service Targets		Target	Actual	Target	Actual	Target	Actual	Remedial Action
<i>Determine planning application within a reasonable timescale</i>	Approval or rejection of all build environment applications within a x weeks	Determination within 12 weeks	Determination within 12 weeks	Determination within 12 weeks	Determination within 12 weeks			
	Reduction in planning decisions overturned	5% planning decisions overturned	5% planning decisions overturned	5% planning decisions overturned	5% planning decisions overturned			
Formalization of sites	-	1	0	-		-	-	
Demarcation of sites	-	4	0	-	58	-	53	
Building plans approved	-	350	272	300	497	250	172	Advice to clients on unpaid account

Service Indicators		2014/15		2015/16		2016/17		
Service Targets		Target	Actual	Target	Actual	Target	Actual	Remedial Action
PTO application assessed	-	80	205	-	36	107	139	
EIA report	-	1	1	N/A		-	10	
Erven alienated	-			Depend on applications to purchase municipal land	17	03		

### 3.7.2. Local Economic Development

The LED Unit does not have the economic activity and performance data per economic sector for purposes of analyzing the sectors as there is no budget allocated for those sectors in the municipal budget. The projects were supported by the Municipality from own income.

**Table 22 Sector of the Economy in Makhado**

Sector	2013/14	2014/15	2015/16	2016/17
	No.	No.	No.	
Agriculture, forestry and fishing	5%	5%	5%	5%
Mining and quarrying	1%	1%	1%	1%
Manufacturing	5%	5%	5%	5%
Wholesale and retail trade	19%	19%	19%	19%
Finance, property, etc.	5%	5%	5%	5%
Government, community and social services	27%	27%	27%	27%
Infrastructure services	5%	5%	5%	5%

### 3.1.3. Comment on local job opportunities:

Employment in the Municipality across the economic sector classification mirrors that of the province and the district. The main labour-absorbing sectors are the agriculture sector; community services sector; and the trade sector. Community service and trade sectors are the predominant employers within the study area, responsible for just over 27% and 19% of the active work force respectively. Agriculture is the third largest employer absorbing around 17% followed by the construction sector (8%), finance (5%), transport (5%), manufacturing (5%), and mining (1%).

Job gains were mostly in the community services sector (1493) and trade (646) in 2011. Even though the agricultural sector is the third largest in terms of labour absorption, it has been shedding jobs since 2001 and a total of 2396 jobs were lost between 2001 and 2011. During the same period 21,262 jobs were lost in the same sector in the Province. The decline in jobs in this sector could be attributed to the trend of shifting away from employment of regular, permanent workers, and a simultaneous (though not commensurate) increase in the use of casual workers, meaning jobs of less security and consistency. (Extracted from the Reviewed LED Strategy: 2013)

The SMME sector lacks institutional arrangements and structure. The Municipality must play an active role in supporting Informal traders and the SMME sector.

**Table 23 Jobs Created during 2016/17 by LED Initiatives (Excluding EPWP projects)**

<b>Jobs Created during 2016/17 by LED Initiatives (Excluding EPWP projects)</b>				
<b>Total Jobs created / Top 3 initiatives</b>	<b>Jobs created</b>	<b>Jobs lost/displaced by other initiatives</b>	<b>Net total jobs created in year</b>	<b>Method of validating jobs created/lost</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	
Total (all initiatives)				
Luhufhe (Sala O Nabe )Poultry Cooperative	8	4	8	All completed membership forms as members of the Cooperatives and Job Cards
Upgrading of Tshakhuma Fruit Market	300	n/a	300	Existing traders supported.
Community Works Program supported by COGTA implemented in 8 wards in Makhado Municipality	1345	13	1540	Completed contracts
MLM/Transnet/Furntech Furniture Manufacturing Incubator	35	5	30	Completed contracts

**Table 24: EPWP jobs**

<b>Job creation through EPWP* projects</b>		
<b>Year</b>	<b>EPWP Projects</b>	<b>Jobs created through EPWP projects</b>
	<b>No.</b>	<b>No.</b>
2013/2014	N/A	N/A
2014/2015	N/A	N/A
2015/2016	12	453
2016/2017	12	351

**Table 25 Local Economic Development Policy Objectives Taken From IDP**

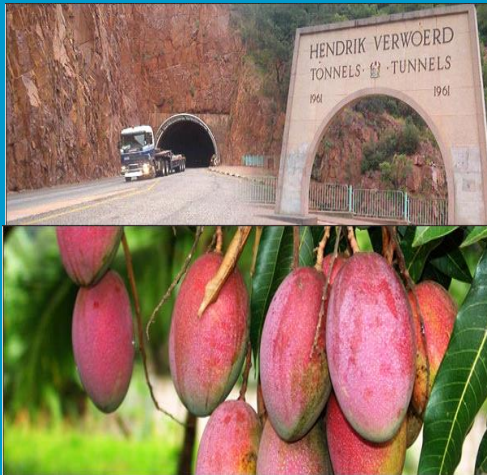
Local Economic Development Policy Objectives Taken From IDP				
<b>Service Objectives:</b> Creation long term sustainable and integrated economic growth and rural development				
<i>Service Indicators</i>	Number of jobs created through LED			
Service Targets	2013/14	2014/15	2015/16	2016/17
<b>Service Objective:</b>				
<b>e.g. Training of people in essential skills: x, y, z</b>	People to be trained			
<b>Training of local builders in bricklaying/plastering/plumbing and painting by the NHBRC</b>		300	0	
Projects assessed	3	10	10	
Projects supported	3	3	06	
SMMEs cooperatives identified supported	240	325	0	
Makhado Annual Show			73	
Mbofhano Brickmaking			14	
Phaphama Agriculture Cooperative			15	
Nthabalala cooperative			05	
Vhumatshelo cooperative			06	
Zwidonaka Brickmaking			06	
Mulima Cooperative			09	



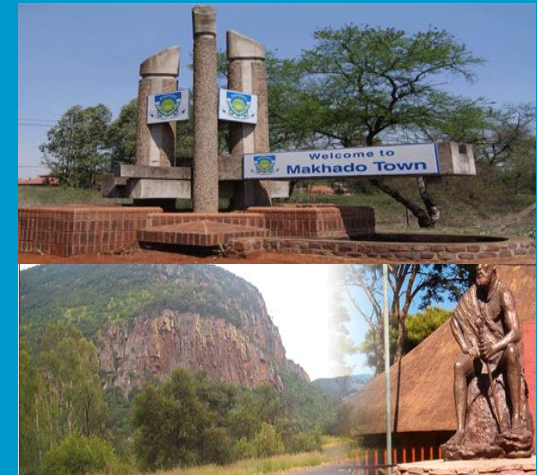


## CHAPTER 4

### MUNICIPAL PERSONNEL



### DRAFT ANNUAL REPORT 2016/2017



## CHAPTER 4: MUNICIPAL PERSONNEL

### COMPONENT A: MUNICIPAL WORKFORCE

#### 4.1. EMPLOYEES PER DEPARTMENT

As at 30 June 2016, the Makhado Municipality had a total workforce of six hundred (600) arranged into six (6) respective municipal departments performing the different functions of disciplines attached to each department as broadly outlined herein below. Employees are also stationed in three respective regions, i.e. Dzanani region, Waterval Region where three fully fledged regional offices operate under direct management of Regional Administrators on post level 3 of the staff establishment, while satellite office exist in Vleifontein.

**Table 26: Number of employees per departments**

<b>Name of Department</b>	<b>Number of Employees</b>
Office of the Mayor	6
Office of the Speaker	3
Department of Municipal Manager	6
Department of Budget and Treasury	73
Department of Development Planning	24
Department of Community Services	161
Department of Technical Services	164
Department of Corporate Services	37
Dzanani Regional Office	55
Waterval Regional Office	71
<b>TOTAL NUMBER OF EXISTING STAFF</b>	<b>600</b>

A large number of employees are attached to the Technical Services Department and the Department of Community Services respectively. The large number is attributed to the nature of department which is service delivery oriented. The employees enjoy benefits such as pension, medical aid, UIF, annual leave and other allowances relevant to their department. There are two recognized workers' unions at Makhado Municipality, i.e. IMATU and SAMWU. The continuous engagement with organized labor is done at the level of the Local Labor Forum to ensure that there is worker's stability and also to consult employees on matters of common interest. The 2016/2017 financial year never experienced any industrial actions by labor.

**Table 27** Employees Comparison

Employees					
Description	2015/16	2016/17			
	Employees	Approved Posts	Employees	Variance	Variance
	No.	No.	No.	No.	%
Water and Sanitation	41	53	41	10	
Electricity	81	93	72	21	
Waste Management	79	81	69	12	
Housing	Nil	1	1	0	
Roads & Storm water	100	105	57	48	
Transport	Nil	Nil	Nil	Nil	
Planning	12	38	30	8	
Local Economic Development	7	6	7	+ 1 (excess)	
Planning (Strategic &Regulatory)	3	3	2	1	
Community & Social Services	3	3	3	0	
Environmental Protection & Health	1	1	1	0	
Security and Safety	39	39			
Sport and Recreation	79	74	71	3	
Corporate Policy Offices and Other	258	350	256	90	
Totals	700	798	600	198	

**Table 28 Vacant posts**

Vacancy Rate 2016/17			
Designations	*Total Approved Posts	*Variances (Total time that vacancies exist using fulltime equivalents)	*Variances (as a proportion of total posts in each category)
	No.	No.	%
Director Technical Services	1	24 months	0
Director Corporate Services	1	24 months	0
Other S56 Managers (excluding Finance Posts)	2	24 months	0
Other S56 Managers (Finance posts)	1	24 months	0
Municipal Police (Traffic Officers)	4	24 months	0
Senior management: Levels 0-3 (excluding Finance Posts)	9	24 months	0
Senior management: Levels 0-3 (Finance posts)	2	24 months	0
Highly skilled supervision: levels 4-8 (excluding Finance posts)	111	24 months	0
Highly skilled supervision: levels 4-8 (Finance posts)	49	24 months	0

## 4.2 Employee turnover

A number of one hundred and fifty eight (158) vacant posts which were budgeted for existed on the approved organizational structure by June 2016/2017 financial year. In the year under review the municipality did not fill any posts. As far as staff turnover is concerned it is paramount to highlight that the majority of employees are not young anymore. The turnover that was experienced was mainly due to retirement and death of employees. The municipality also experienced sporadic resignations due to employees who have found greener pastures elsewhere

**Table 29 Turn-over Rate**

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2016/17	0	37	6%

## 4.3 Organizational Structure

The full functionary lines can more fully be viewed in the 2016/17 organogram attached in the Appendices at the end of this report as Annexure B. The following six departments were in existence during the year 2016/2017:

### 4.3.1 DEPARTMENT COMMUNITY SERVICES

Department Community Services consist of the following divisions -

#### **WASTE MANAGEMENT**

- Collection of refuse on domestic, business and public spaces
- Maintenance and operations of waste management facilities

#### **PARKS AND RECREATION**

- Maintenance of parks
- Maintenance and operation of public swimming pools, cemeteries and crematorium
- Operates Municipal Pounds

#### **TRAFFIC & LAW ENFORCEMENT SERVICES**

- Traffic Control
- Law Enforcement
- Street Trading & vendor control
- Security
- Escorts
- Accident response

#### **LICENCING SERVICES**

- Motor vehicle licensing
- Drivers' license testing and issuing
- Roadworthy testing center
- Business licenses
- Public driving permits
- Certificate of fitness for vehicles

#### **4.3.2 DEPARTMENT CORPORATE SERVICES**

The Department Corporate Services consists of the following divisions:

##### **HUMAN RESOURCES MANAGEMENT:**

###### **Section: Personnel Administration**

Personnel Administration  
Human Resource Advisory Services

###### **Section: Organizational Development & Skills Development**

Employment Equity Plan  
Training & skills development  
Organizational Development  
Occupational Health and Safety services

###### **Section: Employee Assistance Programme**

Employee wellness  
Counseling and medical referrals  
Employee sports function  
Employees funeral and memorial services

##### **ADMINISTRATION AND COUNCIL SUPPORT SERVICES:**

###### **Section: Administration and Council Support**

Committee Services  
Administration

###### **Section: Auxiliary Services**

Records and Archives  
Registry services

###### **Section: Computer Services and Call Center**

Information Technology – hardware, software and user assistance  
System Administration  
Network Administration  
User technical support  
24/7 Call center services  
Telephone communication systems

##### **LEGAL SERVICES:**

Legislative Drafting  
Litigation  
Advisory services  
Contract drafting  
Labor Relations

## **COMMUNICATIONS:**

Communication and Publicity Services

## **OFFICE OF THE SPEAKER:**

Office of the Speaker and Municipal Councilors  
Councilor welfare  
Ward committee services  
Public Participation

## **OFFICE OF THE MAYOR:**

Office of the Mayor  
Community Bursary  
Special Programs

### **4.3.3 DEPARTMENT DEVELOPMENT PLANNING**

The department consists of the following divisions:

#### **LOCAL ECONOMIC DEVELOPMENT DIVISION**

Investment and business promotion  
SMMEs, Agriculture, Tourism and Cooperatives facilitation  
Provincial and National Program participation

#### **SPATIAL PLANNING AND LAND USE MANAGEMENT DIVISION**

##### **Section: Building Control & Housing**

Building plan processing  
Building inspections  
Control outdoor advertisements  
Facilitate provincial housing program

##### **Section: Survey**

General surveying services

##### **Section: Geographical Information**

GIS services

##### **Section: Town Planning**

Implement Land Use Management scheme and applications  
Process development proposals  
Process township establishment

#### **4.3.4 DEPARTMENT OF BUDGET AND TREASURY**

Revenue Management  
Expenditure Management  
Municipal Assets Management  
Supply Chain Management  
Budget and Reporting Management

#### **4.3.5 DEPARTMENT TECHNICAL SERVICES**

##### **WATER AND SANITATION SERVICES**

Coordination of water and sanitation services on behalf of VDM

##### **MECHANICAL WORKSHOP SERVICES**

##### **ELECTRICAL ENGINEERING SERVICES**

OHS, network and designs  
Network and Design Rural  
Metering protection and control  
Electrification

##### **ROADS AND STORM WATER SERVICES**

Maintenance of Roads and storm-water systems  
Side-walk and provision of access roads  
Erection of road signs

##### **BUILDING SERVICES**

Maintenance of Municipal Buildings  
Road marking

##### **PROJECT MANAGEMENT SERVICES**

Management of infrastructure projects  
Monthly reporting to the relevant department  
Implementation of EPWP

#### **DEPARTMENT OF THE MUNICIPAL MANAGER**

##### **ORGANIZATIONAL PERFORMANCE MANAGEMENT**

Monitor organizational performance through SDBIP  
Coordinate annual, midyear, quarterly and monthly reports  
Develop and review performance management framework

##### **IDP**

IDP processing  
Alignment between IDP, Budget and the SDBIP  
Monitor and review IDP processes

## **INTERNAL AUDITING**

Manages the Internal Audit function  
Monitoring compliance  
Special investigations  
Audit Committee (APAC) secretariat

## **RISK MANAGEMENT**

Co-ordinates the Risk Management function  
Monitoring compliance and conduct investigations

### **4.3.6 OFFICE OF THE MUNICIPAL MANAGER**

The Municipal Manager's office consists of performance management (2 officials), internal audit (3 officials), risk management (1 official) and integrated development (2 officials).

## **COMPONENT B: MANAGING MUNICIPAL WORKFORCE LEVELS**

### **4.4 REPORTING LEVELS**

#### **4.4.1. Municipal Manager (section 54A manager)**

The Municipal Manager of Makhado Municipality was Mr I P Mutshinyali I. He was appointed as Municipal Manager 1st September 2012. The Municipal Manager reports directly to the Mayor. **Section 56 Managers (Directors)**

Makhado Local Municipality had 5 Directors as outlined below:

**Table 30 Directors in 2016/2017**

<b>Name of Director/ Municipal Manager</b>	<b>Position and Department</b>	<b>Gender</b>
1. Mr Mutshinyali I.P	Municipal Manager	Male
2. Mrs Sinthumule M D	Director Development Planning	Female
3. Ms Makhubele MP	Chief Financial Officer	Female
4. Mr N C Kharidzha	Director Corporate Services	Male
5. Mr M J Kanwendo	Director Community Services	Male
6. Mr C W Molokomme	Director Technical Services	Male

The Section 56 Managers (Directors) account directly to the Municipal Manager in terms of applicable legislation.

#### **4.4.2 Managers**

The Municipality has Managers on post level 1 of the fixed staff establishment who are responsible for managing the various line functions within a department. The Managers report to their respective Directors. Managers in the Department of Municipal Manager report directly to the municipal manager.



#### **4.4.3 Assistant Managers**

The Municipality has Assistant Managers on post level 3 of the fixed establishment who are directly responsible for various sections within the Departments. The Assistant Managers report directly to the Managers

#### **4.4.4 Municipal Policies**

The Municipality keeps and maintains a Code of Policies which is readily at hand for oversight and reference, and in the hand of the users who holds the relevant portfolio. The following policies were approved during the course of the 2016/17 financial year to add to the existing Code of Policies.

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**Table 31 Policies – 2016/17**

<p><b><u>Information and Communication Policies</u></b></p> <ol style="list-style-type: none"> <li>1. Corporate Governance of ICT Policy Framework and Charter, 2016</li> <li>2. ICT Policy Structure, 2017</li> <li>3. ICT Operating Systems Security Controls Policy, 2017</li> <li>4. Compiling ICT Service Level Agreements Policy, 2017</li> <li>5. ICT Service Level Agreement Management Policy, 2017</li> <li>6. ICT Portfolio Management Framework, 2017</li> <li>7. ICT Steering Committee Terms of Reference, 2017</li> </ol>	<p><b><u>Councillors' Affairs Policies</u></b></p> <p>Public Participation Policy, 2016</p>
<p><b><u>Communication Policies</u></b></p> <ol style="list-style-type: none"> <li>1. Website Policy, 2016</li> <li>2. Stakeholders Management Framework Policy, 2016</li> <li>3. Communications Strategy, 2016</li> <li>4. Batho Pele Service Delivery Standards, 2016</li> </ol>	<p><b><u>Risk Management Policies</u></b></p> <p>Fraud Management Policy, 2016</p> <p>Whistle-Blowing Policy, 2016</p> <p>Risk Management Policy, 2016</p> <p>Loss Control Policy, 2016</p> <p>Risk Management Strategy, 2016</p>
<p><b><u>Human Resources Policies</u></b></p> <p>Tobacco Control Policy, 2016</p> <p>Occupational Health and Safety Policy, 2016</p> <p>Leave Policy, 2016</p> <p>Placement Policy, 2016</p> <p>Model Placement Policy, 2016</p> <p>Standby Policy, 2017</p> <p>Cellular Phone Policy, 2017</p>	<p><b><u>Town-planning Policies</u></b></p> <p>Amendment Of 1982 Land Sale Policy, 2016</p>
<p><b><u>Budget and Treasury Policies</u></b></p> <p>Expenditure Management Policy, 2016</p> <p>Petty Cash Policy, 2016</p> <p>Travel &amp; Subsistence Policy, 2016</p> <p>Funding and Reserves Policy, 2016</p> <p>Supply Chain Management Policy, 2016</p> <p>Policy and Principles of Writing Off of Irrecoverable Debt, 2016</p> <p>Subsidy Scheme for Indigent Households Policy, 2016</p> <p>Tariff and Free Basic Services Policy, 2016</p> <p>Investment of Funds Policy, 2016</p> <p>Property Rates Policy, 2016</p> <p>Credit Control and Debt Collection Policy, 2016</p> <p>Budget Policy, 2016</p> <p>Budget Virement Policy, 2016</p> <p>Borrowing Policy, 2016</p> <p>Asset Management Policy, 2016</p> <p>Fleet Management Policy, 2016</p> <p>Revenue Management Policy, 2016</p> <p>Framework for Cash Flow Management, 2016</p>	

## 4.5 Injuries, Sickness and Suspensions

### 4.5.3 Injuries, Sickness

There are sporadic incidents of injury on duty. When such incidents do occur, the employee is reported to the Occupational Health Safety representatives or to the Employee Assistance Practitioner who would facilitate that the employee be referred to the Municipality's Medical Officer of Health for attention, at Council's cost. The employees are entitled to eighty days sick leave in a three year leave cycle in terms of the SALGBC Main Collective Agreement.

**Table 32 Injuries, Sickness and Suspensions**

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Average injury leave taken per employee	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	240	11	4.58	21.8	R 250 588. 22
Temporary total disablement	None	None	None	N/A	N/A
Permanent disablement	None	None	None	N/A	N/A
Fatal	None	None	None	None	N/A
<b>TOTAL</b>	<b>240</b>	<b>11</b>	<b>4.58</b>	<b>21.8</b>	<b>R 250 588. 22</b>

**Table 33 Number of days and Cost of Sick Leave (excluding injuries on duty)**

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 13-15)	80	None	90 out of 100	13=36 14=29 15=25  =90	70	31459
Skilled (Level 10-12)	40	5%	80 out of 100	10=30 11=18 12=32 =80	50	40997
Highly skilled production (levels 9-12 )	25	7%	50 out of 100	9=14 10=09 11=12 12=15 =50	45	44650

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Highly skilled supervision (levels 4-8 )	55	10%	40out of 100	4=4 5=5 6=4 7=11 8=16	30	55295.88
Senior management (Levels 1- 3 )	3	5%	8out of 100	3=10 =16	10	19851
MM and Dirs	None	2%	0 out of 6	1=6	2	44944
<b>Total</b>	<b>203</b>	<b>28%</b>	<b>266</b>		<b>206</b>	<b>2371996.82</b>

#### 4.5.4 Suspension

**Table 34: Suspensions**

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalized	Date Finalized
Municipal Manager	Non-compliance with procurement regulations	November 2016	DC instituted and Settlement Agreement concluded to terminate employment	1 June 2017
Accountant Expenditure	Payment for services not rendered	December 2016	D C instituted	Pending
Data Capturer	Payment for services not rendered	December 2016	D C processes withdrawn due to lack of evidence	May 2017

**Table 35 Disciplinary Action Taken on Cases of Financial Misconduct**

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalized
Municipal Manager	Non-compliance with procurement regulations	Settlement Agreement	1 June 2017
Accountant Expenditure	Payment beyond contractual obligations	D C instituted	Pending
Data Capturer	Payment beyond contractual obligations	DC process withdrawn	May 2017

**Table 36 Human Resource Services Policy Objectives Taken From IDP**

Human Resource Services Policy Objectives Taken From IDP				
Service Objectives	Outline Service Targets	2015/16	2016/17	*Following Year (2017/18)
To recruit more staff qualified and experienced staff	Improved service delivery and performance of staff	30		To fill all prioritised posts
Capacitated staff with evidence in productivity and efficiency and effectiveness	Skilled staff	151	172	

**Table 37 Employees: Human Resource Services**

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES Employees: Human Resource Services				
Job Level	2015/16			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Total	Total	No.	
0 - 3	3	3	1	0
4 - 6	3	3	0	30
7 - 9	6	6	0	25
<b>Total</b>	<b>12</b>	<b>12</b>	<b>1</b>	

## **COMPONENT C: CAPACITATING MUNICIPAL WORKFORCE**

### **4.6 CAPACITATING THE MUNICIPAL WORKFORCE**

#### **4.6.3 INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT**

The municipality develops its human resources by ensuring that there is sustainable capacity building. This is done in the first place by conducting skills audit. The results of skills audit assist in compilation of the skills development plan or Workplace Skills Plan. The plan is submitted to LGSETA as a guiding document in terms of which training will be done for the particular financial year. Employees across all levels have been through the various capacity building programs. The total training costs for employees in 2015/2016 was 151,009.52 while for councilors was 1,825,477.18.

### **4.7 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

This component includes information about all technology tools used by municipality in its operations and credible data and systems management of all data over the whole spectrum of local municipal functions and powers.

#### **4.7.1 INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

It manages the technological communication hardware and software, including also continuous telephone communication on a 24/7 basis. This section exists to craft the development of ICT infrastructure facilities and services by researching new technologies on the market to enhance the daily operations of ICT in the municipality and it is not limited to the implementation thereof. It is by enlarge a support function of the institution which it renders also by means of contracts with external expertise service providers.

## **INFORMATION AND COMMUNICATION TECHNOLOGY SECTION**

**Table 38** Employees: ICT Services

<b>Employees: ICT Services</b>				
<b>Job Level</b>	<b>2016/17</b>			
	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 – 3	0	0	0	0
4 – 6 (IT dedicated)	4	3	1	25%
7 – 9 (Telephones)	8	8	0	0
<b>Total</b>	<b>12</b>	<b>11</b>	<b>1</b>	<b>10%</b>

### **4.7.2 COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:**

The ICT Section functioned without the services of an ICT Officer (Security Specialist) during the year in question.

A Senior ICT Officer graded on post level 5 was appointed in the 2014/15 financial year and 2 ICT Technicians at level 7 were functional in the 2016/17 financial year. The ICT Section functioned for the whole of the 2016/17 financial year with only three (3) dedicated IT staff members for computer systems support to municipal departments and remote offices. The ICT Section also takes care of all telephone communication systems at all municipal buildings. There are 3 vacant posts which have been advertised.

The **2016/17 Capital projects** performed in this period consisted of the following:

- Upgrade municipal call centre (*target not achieved*)
- Upgrade network infrastructure (*target not achieved*)
- Compile 5 Year ICT Strategic Plan (*target not achieved*)
- Upgrade VIP HR ESS Software (employee leave application self- help) (*Project removed mid - year due to insufficient funds*)
- Install server hard drive
- Upgrade server room to acceptable standard
- Install computer and telephone hardware in new offices at Civic Centre premises
- Procure and install new VEEAM backup server
- Add additional telephone and computer service points at the municipal stores in Voster street (a 20 year long awaited project for those staff members)
- Procure ICT office equipment

Out of the 10 projects, one was removed midyear from the SDBIP and three (3) was not achieved. The balance of 6 capital projects were completed, totalling 70% of its capital projects for the 2016/17 financial year successfully delivered.

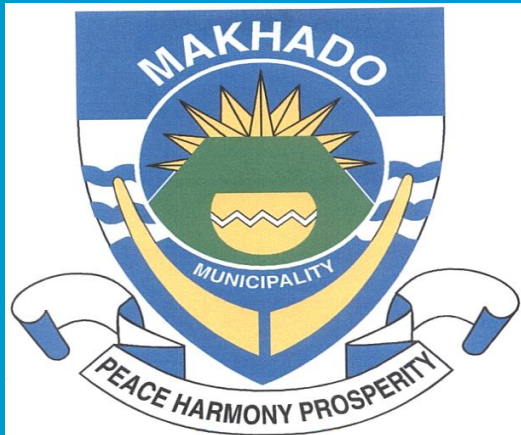
#### **COMPONENT D: WORKFORCE EXPENDITURE:**

During the year 2016/2017, the salary bill of the Municipality was R268,928,766.00. The workforce expenditure per category is as follows:

**Table 39 Total Salaries**

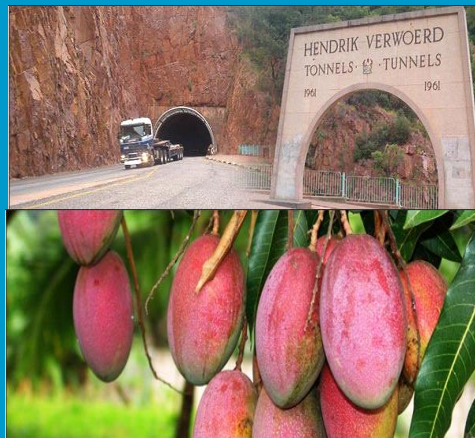
<b>Category</b>	<b>Total Salaries paid for 2014/2015</b>	<b>Total Salaries paid for 2015/2016</b>	<b>Total Salaries paid for 2016/17</b>
Employees	R201 865 584.00	R212 743 322	R245,852,579.00
Councillors	R 20 781 673.00	R21 798 349	R 23,076,187.00

The Municipality uses the VIP Payroll Systems. Employees and including Councillors, receive printed payslips on a monthly basis. The pay day for the Municipality is the 25<sup>th</sup> of every month.

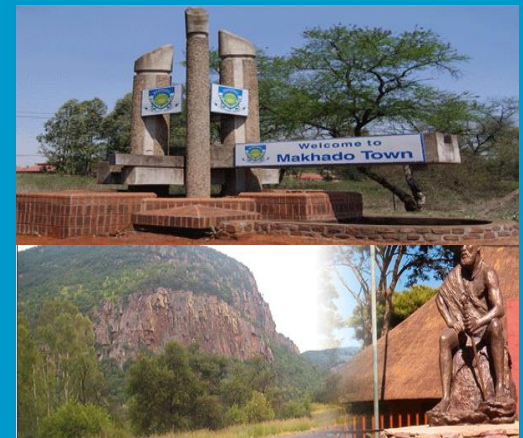


# CHAPTER 5

## STATEMENTS OF FINANCIAL PERFORMANCE



## ANNUAL REPORT 2016/2017





## CHAPTER 5: FINANCIAL PERFORMANCE

### COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

#### 5. FINANCIAL PERFORMANCE

##### 5.1 INTRODUCTION

This chapter will record information in the following categories, as required by the guidelines:

- ✓ Planning and budgeting
- ✓ Asset and Liability Management
- ✓ Revenue and Expenditure Management
- ✓ Supply Chain Management
- ✓ Other financial management
- ✓ Accounting and reporting
- ✓ Oversight and operational continuity

**The following represent the financial summary of the municipality as audited:**

Table 0-1: Financial summary of the municipality as audited

Description	2015/16	Current Year 2016/17				
	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjustment Budget %
<b>R thousands</b>						
<b>Financial Performance</b>						
Property rates	51 434	52 992	52 992	60 071	13%	13%
Service charges	284 754	314 562	314 562	311 785	-1%	-1%
Investment revenue	15 275	16 936	16 936	10 186	-40%	-40%
Transfers recognised - operational	363 957	291 230	305 850	305 850	5%	0%
Other own revenue	44 530	20 547	44 209	15 622	-24%	-65%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>759 950</b>	<b>696 267</b>	<b>734 549</b>	<b>703 514</b>	1%	-4%
Employee costs	237 672	262 055	273 055	255 292	-3%	-7%
Remuneration of Councillors	22 757	26 722	25 947	23 995	-10%	-8%
Depreciation & asset impairment	178 357	135 678	178 678	0	-100%	-100%
Finance charges	13 557	7 527	13 365	3 119	-59%	-77%
Materials and bulk purchases	219 292	245 142	243 842	143 274	-42%	-41%
Transfers and grants	—	-	-	-	0%	0%
Other expenditure	203 876	169 126	182 819	171 892	2%	6%

Description	2015/16	Current Year 2016/17				
	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjustment Budget %
<b>Total Expenditure</b>	<b>875 511</b>	<b>846 250</b>	<b>917 706</b>	<b>597 172</b>	-29%	-35%
<b>Surplus/(Deficit)</b>	<b>( 115 561)</b>	<b>(149 983)</b>	<b>(183 157)</b>	<b>106 342</b>	0%	0%
Transfers recognised - capital	137 792	101 346	132 818	119 657	18%	-10%
Contributions & Contributed assets	(394 648)	198 276	237 126	151 794	-23%	-36%
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>21 836</b>	<b>149 639</b>	<b>186 787</b>	<b>377 793</b>	152%	0%
Share of surplus/ (deficit) of associate	–	–	–	–	0%	0%
<b>Surplus/ (Deficit) for the year</b>	<b>21 836</b>	<b>149 639</b>	<b>186 787</b>	<b>377 793</b>	152%	102%
<b>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table C1</b>						

## 5.2 POLICIES ARRANGING THE OPERATIONS OF ABOVE SUBJECTS

Over and above the direct requirements of different sections of the Local Government: Municipal Finance Management Act, 2003 and its Regulations, Council also adopted the following budget related policies in respect of the 2015/16 Financial Year and the contents of such policies arranged the operations in respect of the subjects related to each policy. The following are the policies:

- *Budget policy*
- *Budget Virement*
- *Uniform Credit Control and Debt Collection policy*
- *Uniform Credit Control and Debt Collection by-law*
- *Borrowing Policy*
- *Expenditure Management Policy*
- *Framework for Cash-flow Management Policy*
- *Funding and Reserves Policy*
- *Tariff and Free Basic Services Policy*
- *Policy on Subsidy Scheme for Indigent Households*
- *Investment of Funds Policy*
- *Revenue Management Policy*
- *Petty Cash Policy*
- *Travel and Subsistence Policy*
- *Principles of Writing-off of Irrecoverable Debt*
- *Asset Management Policy*
- *Property Rates Policy*
- *Property Rates by-law*
- *Supply Chain Management Policy*

### 5.3 ASSET MANAGEMENT

#### INTRODUCTION TO ASSET MANAGEMENT

The key elements of Asset Management: To ensure that the assets of the municipality are managed according to the asset management policy and the regulations.

- To ensure the effective and efficient control, safeguarding, utilisation and management of the municipalities assets.
- To ensure that the asset of the municipality are not misused and are safeguarded against inappropriate loss.
- To ensure that proper management of PPE forms part of the financial management procedures of the municipality.
- And also to ensure that the asset serve the purpose of assisting the municipality to fulfil its constitutional mandates of service delivery, social economic and development and fulfilling the basic needs to the community.

The staff involved and key delegation: The asset management unit consist of Immovable asset, Movable assets and fleet management section. According to the organisational structure of the municipality the staff supposed to be eleven (11) but in the moment the staff is only having seven employees.

Key issues under development: The municipality hired the service provider to assist in compiling and maintaining the asset register that is GRAP compliant. The service provider did the unbundling of infrastructure assets and compiled the asset register for the municipality although the relationship between the municipality and the service provider is still continuing until the asset register is in line with the required standards.

**Table 0-2: Treatment of the three largest assets acquired 2016/17**

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2016/17		
Asset 1		
Name	Construction of Robert Khoza (Bungeni to Chavani) Road	
Description	Construction of 3.5km road, stormwater drainage system and widening of existing bridge	
Asset Type	Roads and Storm Water	
Key Staff Involved	PMU Manager and Director Technical Services	
Staff Responsibilities	Project Management and Service Provider Monitoring	
Asset Value	2015/2016	2016/2017 total project cost
	R18 180 001	R13 375 237.98
Capital Implications	Development of road Infrastructure and side bridge (Roads and Storm Water)	
Future Purpose of Asset	Provision of access road to Community and Control of Storm Water	
Describe Key Issues	Construction of road and associated storm-water control system	
Policies in Place to Manage Asset	Yes	

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2016/17		
Asset 2		
Name	Sereni Themba to Mashamba Post Office Phase III	
Description	Construction of access road between Sereni and Mashamba Villages for 4.2km	
Asset Type	Road and storm water	
Key Staff Involved	Director Technical Services, manager PMU	
Staff Responsibilities	Project management and Co-ordinating	
Asset Value	2015/2016	2016/2017
	New Phase not rolled over	R25 550 505
Capital Implications	Proper access and control of vehicles for on the upgraded road and storm-water	
Future Purpose of Asset	Provision of access road to Community and Control of Storm Water	
Describe Key Issues	Construction of road and associated storm-water control system	
Policies in Place to Manage Asset	Yes	
Asset 3		
Name	Tshivhulana to Tshilaphala Ring Road Phase II	
Description	Construction of access road to Tshilaphala village for 4km	
Asset Type	Road and storm water	
Key Staff Involved	Director Technical Services and PMU Manager	
Staff Responsibilities	Project Management, Supervision and Monitoring of Service Provider	
Asset Value	2015/2016	2016/2017
	New phase of the project	R17 245 183
Capital Implications	Infrastructure Development	
Future Purpose of Asset	To be used by Community functions and municipal meetings	
Describe Key Issues	Construction of tarred road, storm water v-drains and culverts	
Policies in Place to Manage Asset	Yes	

**Table 0-3:** Supporting Table SA8 Performance indicators and benchmarks (SA 8)

LIM344 Makhado - Supporting Table SA8 Performance indicators and benchmarks								
Description of financial indicator	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome
Borrowing Management								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.00%	0.90%	0.02%	0.02%	0.02%	0.02%	0.02%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.00%	0.00%	0.00%	0.45%	0.43%	2.86%	2.86%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Safety of Capital								
Gearing	Long Term Borrowing/ Funds & Reserves	0.00%	0.00%	2.10%	0.03%	0.03%	0.02%	0.02%
Liquidity								
Current Ratio	Current assets/current liabilities	1.61	1.61	2.5	3.8	4.2	4.2	4.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.2	0	2.5	2.45	2.45	2.45	2.45
Liquidity Ratio	Monetary Assets/Current Liabilities	0.28	0.28	0.90	2.59	2.97	2.97	2.97
Revenue Management								
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	102.80%	95%	91%	0.83%	0.83%	0.83%	0.83%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		135.70%						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.00%	17.70%	0.07%	0.18%	0.22%	0.22%	0.22%

Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.00%	0.00%	0.07%				
<b>Creditors Management</b>								
Creditors System Efficiency	% of Creditors Paid Within Terms (within` MFMA` s 65(e))							
Creditors to Cash and Investments		273.60%						
<b>Other indicators</b>								
Employee costs	Employee costs/(Total Revenue - capital revenue)	34.10%	34.10%	34.00%	37.64%	37.17%	37.17%	37.17%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	39.10%	0%	33.00%	38.40%	35.30%	33.30%	33.30%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.00%	0.00%	0.056%	0.00%	0.00%	0.00%	0.00%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	18.80%	18.80%	19.50%	0.010%	0.018%	0.018%	0.018%
<b>IDP regulation financial viability indicators</b>								
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	12.8						
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	23.90%						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.4						

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.4. SPENDING ON 5 LARGEST PROJECTS

The following represent the capital spending against the capital budget:

**Table 0-1:** Capital Expenditure of 5 largest projects\*

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Year 2016/17			Variance Current Year	
	Project Cost	Adjusted Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A – Construction of Robert Khoza(Bungeni to Chabani) Road	R31 555 239	R13 254 837.11	R 13 375 237.98	0%	0%
B – Sereni Themba to Mashamba Post Office Phase III	R25 550 505	R11 800 000.00	R 8 696 018.75	26%	26%
C – Tshivhulana to Tshilaphala Ring Road Phase II	R17 245 183	R13 132 436.73	R 8 457 683.63	36%	36%
D – Mudimeli Bridge and Access Road	R13 640 821	R12 239 127.72	R 11 357 181.10	7%	7%
E – Gombita, Tshivhuyuni to Mphagi Road	R13 545 366	R 9 428 286.31	R 3 843 039.98	59%	67%
Projects with the highest capital expenditure in 2015/16					
<b>Name of Project - A</b>	<b>Construction of Robert Khoza(Bungeni to Chabani) Road</b>				
Objective of Project	To ensure access to business facilities is efficient and thus promoting business growth rapidly				
Delays	None				
Future Challenges	roads infrastructure costs rapidly increasing				
Anticipated citizen benefits	Easy and comfortable access to and from areas within municipal areas				
<b>Name of Project - B</b>	<b>Sereni Themba to Mashamba Post Office Phase III</b>				
Objective of Project	To ensure easy access to public around municipality's nodal points				
Delays	Rain				

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Year 2016/17			Variance Current Year	
	Project Cost	Adjusted Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Future Challenges	roads infrastructure costs rapidly increasing				
Anticipated citizen benefits	Easy and comfortable access to and from areas within municipal areas				
<b>Name of Project - C</b>	<b>Tshivhulana to Tshilaphala Ring Road Phase II</b>				
Objective of Project	To ensure community have access to village from N1 and industrial roads				
Delays	None				
Future Challenges	Maintenance of halls and safe guarding				
Anticipated citizen benefits	Easy and comfortable access to and from areas within municipal areas				
<b>Name of Project - D</b>	<b>Mudimeli Bridge and Access Road</b>				
Objective of Project	Construction of hall, guard house, parking buys, palisade fencing and landscaping and provision of borehole and tank for irrigation system and for public use.				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Easy and comfortable access to community facilities and sports uses as multipurpose within municipal areas				
<b>Name of Project - E</b>	<b>Gombita, Tshivhuyuni to Mphagi Road</b>				
Objective of Project	To ensure access to promoting business growth rapidly around the township and related villages				
Delays	procurement processes ,delays on site preparation for relevant progress				
Future Challenges	roads infrastructure costs rapidly increasing				
Anticipated citizen benefits	Easy and comfortable access to and from areas within municipal areas				
					T5.7.1



## COMPONENT C: CASHFLOW

### 5.5 BORROWING AND INVESTMENTS

#### INTRODUCTION TO BORROWING AND INVESTMENTS

- Makhado municipality had 6 notice deposits at 30 June 2017.
- Makhado municipality has the following Borrowings:
  - DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA) the loan is from 01.04.2008 until 31.03.2018 and is being paid bi-annually.

Challenges:

- Inability to settle Eskom bulk purchases invoice for main town timeously.
- Cash flow constraints thus the infrastructure plan to upgrade substations are currently on hold, external sourcing of funds still in progress.

**Table 0-2 : Actual Borrowings 2014/2015- 2016/17**

Actual Borrowings 2014/15 – 2016/17			
R' 000			
Instrument	2014/15	2015/16	2016/17
Municipality			
Long-Term Loans - outstanding balances INCA LOAN			
Long-Term Loans - outstanding balances DBSA LOAN	4 632	3 218	1 677
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	4 632	3 218	1 677

Outstanding balances as at 30 June 2017			
DBSA : LOAN 1 R 1,295,261.24			
DBSA : LOAN 2 R 381,953.10			
INCA : Paid up			
Total : R 1,677,214.34			

## COMPONENT D: SUPPLY CHAIN MANAGEMENT

### 5.6 SUPPLY CHAIN MANAGEMENT

The Supply chain management policy was approved by the council in 2006 .The implementation was done by establishing supply chain management division under the direct supervision of the CFO. The structure for this division was established to cover all elements of supply chain. Two sections are fully functional, that is Acquisition and Logistic managements sections. Both bid specification and evaluation committees were established which comprises of members appointed by Municipal Manager on temporary basis depending on the tender under consideration. The Bid adjudication Committee was also established which is composed of senior managers. Councilors are not part of bid committees and they are not participating in supply chain processes.

Supply Management officials have attended training as indicated below:

Description of course attended	Number of officials attended	Duration of course/training
Standard for infrastructure procurement and delivery management	3	3 days

### 5.7 GRAP COMPLIANCE

#### GRAP COMPLIANCE

GRAP is the acronym for Generally Recognised Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. The major objectives of GRAP are:

- To ensure consistency in the accounting treatment of transactions and classification of account balances in municipalities
- To enhance comparability between similar-sized municipal bodies on a national basis

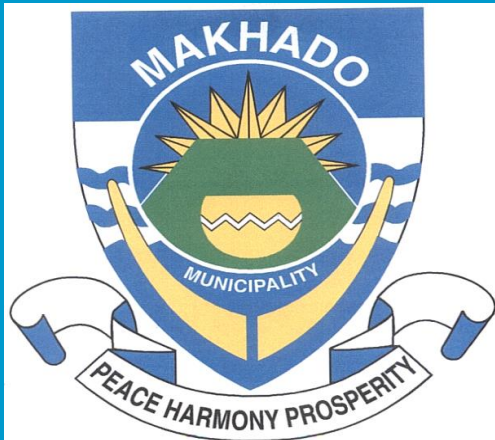
- To enable users of financial statements to make more accurate assessments of risks and returns.
- The municipality is constantly reviewing and embarking on processes to ensure compliance with GRAP standards :

- ✓ GRAP 1 Presentation of Financial Statements
- ✓ GRAP 2 Cash Flow Statements
- ✓ GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors
- ✓ GRAP 4 The Effects of Changes in Foreign Exchange Rates
- ✓ GRAP 5 Borrowing Costs
- ✓ GRAP 6 Consolidated and Separate Financial Statements
- ✓ GRAP 7 Investments in Associates
- ✓ GRAP 8 Interests in Joint Ventures
- ✓ GRAP 9 Revenue from Exchange Transactions
- ✓ GRAP 10 Financial Reporting in Hyperinflationary Economies
- ✓ GRAP 11 Construction Contracts
- ✓ GRAP 12 Inventories
- ✓ GRAP 13 Leases
- ✓ GRAP 14 Events After the Reporting Date
- ✓ GRAP 16 Investment Property
- ✓ GRAP 17 Property, Plant and Equipment
- ✓ GRAP 19 Provisions, Contingent Liabilities and Contingent Assets
- ✓ GRAP 21 Impairment of Non-cash-generating Assets
- ✓ GRAP 23 Revenue from Non-exchange Transactions (Taxes and Transfers)
- ✓ GRAP 24 Presentation of Budget Information in the Financial Statements
- ✓ GRAP 25- Employee Benefits
- ✓ GRAP 26 Impairment of Cash-generating Assets
- ✓ GRAP 27 Agriculture
- ✓ GRAP 31 Intangible assets
- ✓ GRAP32: Service Concession Arrangements: Grantor
- ✓ GRAP 103 Heritage Assets
- ✓ GRAP 104 Financial Instruments
- ✓ GRAP 107 Mergers
- ✓ GRAP108: Statutory Receivables

**Standards approved but not yet effective:**

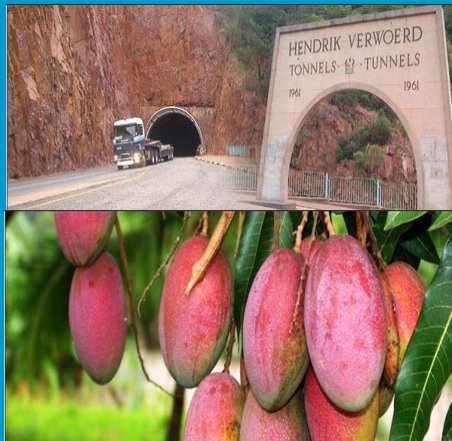
- ✓ GRAP 18 Segment Reporting
- ✓ GRAP 105 Transfer of functions between entities under common control
- ✓ GRAP 106 Transfer of functions between entities not under common control
- ✓ GRAP 109: Accounting by Principals and agents.

DRAFT

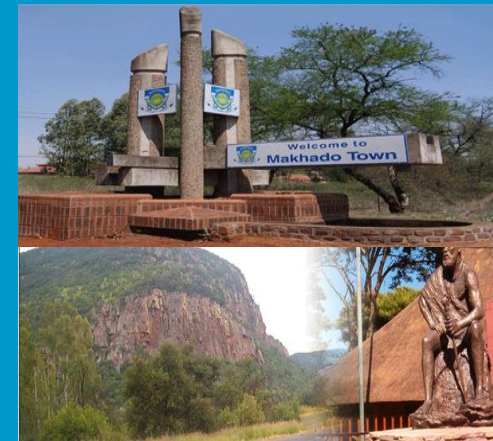


# CHAPTER 6

## AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2016/2017



## ANNUAL REPORT 2016/2017



# Report of the auditor-general to Limpopo Provincial Legislature the council on Makhado Local Municipality

## ***Report on the audit of the financial statements***

### **Adverse opinion**

1. I have audited the financial statements of the Makhado Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, because of the significance of the matters described in the basis for adverse opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of the municipality as at 30 June 2017, and financial performance and its cash flows for the year then ended in accordance with applicable financial reporting framework and the requirements of the South African Standards of Accounting Practice (SA Standards of GRAP), the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act, 2016 (Act No. 3 of 2016) (DoRA).

### **Basis for adverse opinion**

#### **Property, plant and equipment**

3. The municipality did not review the residual values and useful lives of assets at each reporting date in accordance with GRAP 17 *Property, plant and equipment*. As a result, assets with a gross carrying amount of R31 307 091 had a zero net carrying amount while still being in use. Consequently, I was not able to determine the impact on the net carrying amount of assets of R1 654 197 728 disclosed in note 9 to the financial statements, as it was impracticable to do so.
4. The accounting records of the municipality did not in all instances contain adequate information to enable me to perform a physical verification of infrastructure assets. As a result, I was unable to physically verify infrastructure assets stated at R226 412 235 in note 9 to the financial statements.
5. The municipality did not properly calculate the opening balance of property plant and equipment in the accounting records and financial statements. Evidence to support differences amounting to R159 244 323 between the underlying records and recalculation performed could not be provided. Additionally, the municipality made a restatement to rectify a previous year misstatement. The municipality did not use the correct model to recognise items of property, plant and equipment amounting to R5 547 016. Consequently, I was not able to determine the impact on the net carrying amount of assets disclosed in note 9 to the financial statements, as it was impracticable to do so.

6. The municipality did not have adequate systems to maintain records of property, plant and equipment. The amounts disclosed in the underlying records did not agree with the amount recorded in the financial statements. As a result, property, plant and equipment disclosed in note 9 to the financial statements was overstated by R103 036 068. Additionally, there was a resultant impact on the surplus for the period.
7. The municipality did not have adequate systems in place to record all work in progress belonging to the municipality in the accounting records and financial statements. I identified a number of work in progress projects that were not recorded in the accounting records and financial statements. Additionally, additions of R9 710 112 to work in progress were recorded at negative amounts. Furthermore, evidence to support differences amounting to R3 840 492 between the source and the underlying records could not be provided. Consequently, I was unable to determine the full extent of the understatement of work in progress stated at R9 694 501 in note 9 to the financial statements as it was impracticable to do so.

#### Cash and cash equivalents

8. The municipality did not have adequate systems to maintain records of investments. I was unable to trace the investment withdrawals of R80 275 756 to the primary bank account of the municipality. There were no satisfactory alternative procedures that I could perform to obtain reasonable assurance on the cash and cash equivalent as disclosed in note 7 to the financial statements.
9. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for cash and cash equivalents. As described in note 7 to the financial statements, the restatement was made to rectify a previous year misstatement. I was unable to confirm the restatement by alternative means. Additionally, I was unable to obtain sufficient appropriate audit evidence that cash and cash equivalents for the year under review had been properly accounted for, due to the status of the accounting records. Consequently, I was unable to determine whether any adjustment was necessary to the cash and cash equivalents corresponding figure stated at R103 036 068 (2015- 2016: R117 988 249) as disclosed in note 7 to the financial statements.

#### Expenditure

10. The municipality did not classify transactions as general expenditure in the annual financial statements, as required by GRAP 1, *Presentation of the Financial Statements*. The credit balances were netted off against the debit balances. The effect on the financial statements was that general expenses disclosed in note 33 to the financial statements was understated by R18 285 356. Additionally, there was a resultant impact on the surplus for the period.

#### Licences and permits

11. I was unable to obtain sufficient appropriate audit evidence for revenue from licences as the municipality did not provide a detailed transaction listing. The municipality did not have adequate systems of internal control in place to reconcile the transactions and events to the financial statements. I could not confirm revenue from exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustment to revenue stated at R17 649 309 in the financial statements was necessary.

## Other income

12. The municipality did not record transactions for Vhembe district municipality's water related services in accordance with GRAP 1, *Presentation of the Financial Statements*. The amounts disclosed in the underlying records did not agree with the amount recorded in the financial statements. The effect on the financial statements was that revenue from exchange transactions was overstated by R12 211 337. Additionally, there was a resultant impact on the surplus for the period. Furthermore, sufficient and appropriate audit evidence could not be provided for proceeds from the sale of land amounting to R6 509 127 as disclosed in note 22 to the financial statements.

## Debt impairment

13. The municipality did not have adequate systems to maintain records for debt impairment as required by, GRAP 1 *Presentation of the Financial Statements*. As described in note 40 to the financial statements, the restatement was made to rectify a previous year misstatement. The municipality did not submit sufficient and appropriate audit evidence in support of the journals passed regarding debt impairment amounting to R18 274 090. Consequently, I was not able to determine the impact on the accumulated surplus as it was impracticable to do so.

## Unauthorised expenditure

14. During 2016, I was unable to obtain sufficient appropriate audit evidence that unauthorised expenditure for the year had been properly disclosed and to confirm the unauthorised expenditure by alternative means. Consequently, I was unable to determine whether any adjustment to unauthorised expenditure stated at R0 (2015- 2016: R22 992 036) in note 44 to the financial statements was necessary. My audit opinion on the financial statements for the period ended 30 June 2016 was modified accordingly. My opinion on the current's period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figure.

## Cash flow statement

15. During 2016, the financial statements were materially misstatements due to material uncorrected misstatements in the following items disclosed in the cash flow statements
- Receipts from operating activities were understated by R99 632 198 (2015- 2016: R50 653 787)
  - Payments from operating activities were overstated by R13 558 263 (2015- 2016: R48 981 126)

My opinion on the current's period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figure.

## Aggregation of immaterial uncorrected misstatements

16. In addition to the individually material uncorrected misstatements stated above, total current assets were materially misstated by R14 437 082 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:



- Receivables from non-exchange transactions stated at R12 280 933 was overstated by R4 951 150
- Property, plant and equipment stated at R1 654 197 728 was understated by R1 644 809
- Inventory stated at R104 704 522 was overstated by R4 188 143

#### Transfer of functions

17. The municipality did not have adequate systems to maintain records for the transfer of functions as required by GRAP 106, *Transfer of functions for entities not under common control*. I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed as total assets, stated at R53 027 391 and total liabilities at R9 059 194 in note 49 to the financial statements. I could not confirm the total assets and liabilities transferred by alternative means. Consequently, I was unable to determine whether any further adjustments to transfer of functions stated at R27 440 214 in the financial statements were necessary.

#### Context for the opinion

18. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
19. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
20. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

#### Emphasis of matters

21. I draw attention to the matters below. My opinion is not modified in respect of these matters.

#### Material impairments

22. As disclosed in note 30 to the financial statements, material losses to the amount of R48 782 216 were incurred as a result of a write-off of irrecoverable trade and other debtors.

#### Restatement of corresponding figures

23. As disclosed in note 40 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of an error discovered in the financial statements of the Municipality at, and for the year ended, 30 June 2017.

#### Irregular expenditure

24. As disclosed in note 44 to the financial statements, irregular expenditure to the amount of R73 256 255 was incurred as a result of payments made in contravention of the supply chain management requirements.

Fruitless and wasteful expenditure

25. As disclosed in note 42 to the financial statements, fruitless and wasteful expenditure to the amount of R609 247 was incurred as a result of payment of interest on overdue accounts.

#### **Other matters**

26. The following other matter paragraphs will be included in our auditor's report to draw the users' attention to matters regarding the audit, the auditor's responsibilities and the auditor's report:

#### **Unaudited disclosure notes**

27. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon

#### **Unaudited supplementary schedules**

28. The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon

#### **Responsibilities of the party responsible for the financial statements**

29. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the MFMA, and the DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
30. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

#### **Auditor-general's responsibilities for the audit of the financial statements**

31. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
32. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

### ***Report on the audit of the annual performance report***

#### **Introduction and scope**

33. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
34. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
35. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2017:

Development priorities	Pages in the annual performance report
Development priority (02) – Basic service delivery and infrastructure development	x – x
Development priority (03) – Local economic development	x – x

36. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
37. The material findings in respect of the usefulness and reliability of the selected development priorities are as follows:

#### **Development priority (02) – Basic service delivery infrastructure**

**Reported achievement not supported by sufficient appropriate audit evidence, i.e. not valid and/or accurate and/or complete**

#### **Various indicators**

38. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the targets below. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement

Key Performance indicator/ Measurable Objective	Annual Target	Actual Annual Performance
To purchase CT VT Units 11kv and 22kv by 30 June 2017	CT VT Units 11kv and 22kv purchased	CT VT Units 11kv and 22kv purchased
To upgrade bulk supply Tshituni (2.5MVA) by 30 June 2017	Site Handover	Site Handover
To replace outdoor Circuit breaker by 30 June 2017	Evaluate Adjudicate and award tender	Evaluate done Adjudicate done and award tender done
To replace channel cover by 30 June 2017	Replacement of channel cover completed	Replacement of channel cover not completed
Purification of transformer oil by 30 June 2017	Transformer oil purified	Transformer oil purified
Post connection Own licensed areas by 30 June 2017	Post connetion own licensed areas	Post connetion own licensed areas
To design electricity network at Tshikhwani/ Rathidili by 30 September 2016	Tshikhwani/ Rathidili designed completed	Tshikhwani/ Rathidili designed completed
To design electricity network at Maname Paradise by 31 March 2017	Maname Paradise designs completed	Maname Paradise designs completed
To design electricity network at Madabani by 31 March 2017	Madabani designs completed	Madabani designs completed
To design electricity network at Mavhunga /Muromani by 31 December 2017	Mavhunga /Muromani design completed	Mavhunga /Muromani design completed
To pay the engineer on the electrification of Vyeboom by 30 September 2017 (R867 541.56)	Payment done	Payment done
To revitalize the OK/ Shoprite Traders market project by 30 June 2017	Contrct to revitalize the OK/ Shoprite Traders market awarded	Contrct to revitalize the OK/ Shoprite Traders market awarded
To construct road Sereni Themba to Mashamba post office ( phase 3) by 30 June 2017 (4.2km)	Surfacing completed 4.2 Km	Surfacing not completed 4.2 Km
To construct Tshikwarani to Zamkomste Road - 1.5km by 30 June 2017	Completed roadbed subbase and base layers(1.5km)	Roadbed subbase and base layers(1.5km) Completed
To construct Tshirolwe,Matsa to Manyii road Phase 1- 1.2km by 30 June 2017	Completed roadbed subbase and base layers(1.2km)	Roadbed subbase and base layers(1.2km) Completed
To construct Tshedza to Vuvha road- 1km by 30 June 2017	Tshedza to Vuvha road- 1km completed	Tshedza to Vuvha road- 1km completed
To construct Gombiti,Tshivhuyuni to Mamphagi road Phase 1- 1.4 km by 30 June 2017	Gombiti,Tshivhuyuni to Mamphagi road Phase 1 – 1.4Km completed	Gombiti,Tshivhuyuni to Mamphagi road Phase 1 – 1.4Km completed
To construct Xitacini to Jiweni Phase 1 - 2km by 30 June 2017	Complete base layer and surfacing of 2 km road	Base layer and surfacing of 2 km road completed
To rehabilitate internal streets by 30 June 2017	Rehabilitation of internal streets completed	Rehabilitation of internal streets completed
To develop refuse transfer station for Waterval Region by 30 June 2017	Evaluate adjudicate and award contract commence with design 2017/18	Tender re-advertised. Evaluation done adjudication done Tender re-advertised , awarding and design not done

Key Performance indicator/ Measurable Objective	Annual Target	Actual Annual Performance
To upgrade Dzanani Transfer Station - Elec+ Guard room by 30 June 2017	Evaluate adjudicate and award contract commence with design 2017/18	Tender re-advertised. Evaluation done adjudication done Tender re-advertised , awarding and design not done
Development of Kutama/Sinthumule Stadium by 30 June 2017	Evaluate adjudicate and award contract commence with design 2017/18	Tender re-advertised. Evaluation done adjudication done Tender re-advertised , awarding and design not done
Refurbishment of Caravan Park buildings 30 June 2017	Refurbishment of Caravan Park buildings completed	Refurbishment of Caravan Park buildings completed

#### Performance indicators are not well-defined

39. The source information or evidence and method of calculation for the achievement of the following planned indicator was not clearly defined, as required by the Framework for Managing Programme Performance Information (FMPPI).

40. The following targets listed below were identified as not well defined in terms of the FMPPI:

Key Performance Indicators	Planned Annual Targets	Reported achievement
To develop E59 and E60 Park (Makhado Town) by 30 June 2017	Development of E59 and E60 Park (Makhado Town) completed	Project remove during the budget adjustment.
Establishment of Waterval Registering Authority by 30 June 2017	Establishment of Waterval Registering Authority completed	Target not achieved, the project was cancelled.
To purchase strategic spares by 31 March 2017	Strategic spares	Project removed during budget adjustment.
To deliver material to replace Ring Main Units 11 kV ( RMU) by 30 June 2017	Ring Main Units 11 kV ( RMU) delivered and installed	Delivery of materials done for Ring Main units 11 kV (RMU) done and installation
To upgrade Shefeera Line by 30 June 2017	Shefeera Line Upgraded	Shefeera Line Upgraded
To upgrade and reroute Beaufort West line by 30 June 2017	Reroute of Beaufort West line upgraded	Reroute of Beaufort West line upgraded
To upgrade urban substation by 30 June 2017	Materials delivered	Materials delivered (22kV Panel)
To upgrade bulk supply Tshituni (2.5MVA) by 30 June 2017	Site handover	Site handover done
To upgrade Mountain line by 30 June 2017	Mountain line upgraded	Project removed during

Key Performance Indicators	Planned Annual Targets	Reported achievement
		budget adjustment
To replace outdoor Circuit breaker by 30 June 2017	Evaluate, adjudicate and award tender.	Evaluate done, adjudicate done and award tender done.
To replace channel cover by 30 June 2017	Replacement of channel cover completed	Replacement of channel cover not completed
To Service OCB's substation by 30 June 2017	Service OCB's	OCB's Serviced
To refurbish Transformer in (Levubu) by 30 June 2017	Transformer refurbished (Levubu)	Transformer refurbished (Levubu)
Post connection Own licensed areas by 30 June 2017	Post connection Own licensed areas	Post connection Own licensed areas done
Development of Kutama/Sinthumule Stadium by 30 June 2017	Evaluate, adjudicate and award contract. Commence with design in 2017/18	Tender Re-advertised. Evaluation done, adjudication done, Tender re-advertised. Award and design not done
Ablution of Tree Park Facility by 30 June 2017	Ablution of Tree Park Facility completed	Ablution of Tree Park Facility completed

#### Performance indicators are or targets are not specific and/or measurable

41. The targets for these indicators were not specific in clearly identifying the nature and required level of performance and measurable during the planning process, as required by the FMPPI. Please refer to the detailed list of Indicators that did not meet the definition of being specific and measurable below:

Key Performance Indicators/Measurable Objective	Annual Targets	Reported achievement
To remove the old library roof by 30 June 2017	Removal of the library roof completed	Removal of the library roof completed
Establishment of Waterval Registering Authority by 30 June 2017	Establishment of Waterval Registering Authority completed	Project removed during budget adjustment
To replace air conditioners by 30 June 2017	Air Conditioners replaced	Twenty (20) Air Conditioners replaced
To purchase CT VT Units 11kv and 22kv by 30 June 2017	CT VT Units 11kv and 22kv purchased	CT VT Units 11kv and 22kv purchased

Key Performance Indicators/Measurable Objective	Annual Targets	Reported achievement
To procure Mini Substation by 31 March 2017	Mini Subs replaced	Mini Subs replaced
To purchase strategic spares by 31 March 2017	Strategic spares	Project removed during budget adjustment
To upgrade Shefeera Line by 30 June 2017	Shefeera Line Upgraded	Shefeera Line Upgraded
To upgrade and reroute Beaufort West line by 30 June 2017	Reroute of Beaufort West line upgraded	Reroute of Beaufort West line upgraded
To upgrade urban substation by 30 June 2017	Materials delivered	Materials delivered (22kV Panels)
To upgrade Mountain line by 30 June 2017	Mountain line upgraded	Project removed during budget adjustment
To replace channel cover by 30 June 2017	Replacement of channel cover completed	Replacement of channel cover not completed
Purification of transformer oil by 30 June 2017	Transformer oil purified	Transformer oil purified
To renovate Substation control room by 30 June 2017	Substation control room renovated	Substation control room renovated
To Service OCB's substation by 30 June 2017	Service OCB's	OCB's Serviced
To refurbish Transformer in (Levubu) by 30 June 2017	Transformer refurbished (Levubu)	Transformer refurbished (Levubu)
Post connection Own licensed areas by 30 June 2017	Post connection Own licensed areas	Post connection Own licensed areas done
To rehabilitate internal streets by 30 June 2017	Rehabilitation of Internal Streets completed	Rehabilitation of Internal Streets completed
Fencing of graveyards by 31 March 2017	Fencing of graveyards completed	Fencing of graveyards completed
Refurbishment of Caravan Park buildings 30 June 2017	Refurbishment of Caravan Park buildings completed	Refurbishment of Caravan Park buildings completed
Ablution of Tree Park Facility by 30 June 2017	Ablution of Tree Park Facility completed	Ablution of Tree Park Facility completed

Key Performance Indicators/Measurable Objective	Annual Targets	Reported achievement
To remove underground fuel tanks and rehabilitate the soil 30 June 2017	Remove underground fuel tanks and rehabilitate the soil completed	Remove underground fuel tanks and rehabilitate the soil completed

**Reported achievement did not agree with the evidence provided, i.e. not valid, accurate and complete**

30. The reported achievement for the following targets was misstated as the evidence provided did not agree with the reported achievement:

Performance Indicator	Reported achievement	Audited value
Number of households with access to refuse collection	12787	17 267
To remove the old library roof by 30 June 2017	Target achieved 30/06/2017	Date of completion 21/08/2017
Establishment of Waterval Registering Authority by 30 June 2017	Project removed during budget adjustment	Project was not removed during budget adjustment
Fencing of graveyard by 31 March 2017	Fencing of Graveyard completed	Graveyard completion date done in 2015/16 Financial year

#### **Development priority (03) – Local economic development**

##### **Number of LED Job opportunities created 30 June 2017**

31. The reported achievement for the performance indicator, number of LED job opportunities created was misstated as the evidence provided did not agree with the reported achievement.

Planned development objective per annual planning document	Reported achievement	Audited value
Number of LED Job Opportunities Created 30 June 2017	824	770

#### **Other matters**

32. I draw attention to the matters below.

#### **Achievement of planned targets**

33. Refer to the annual performance report on page(s) x to x for information on the achievement of planned targets for the year and explanations provided for the under and overachievement of a significant number of targets.



This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph(s) x; x; x of this report.

### **Adjustment of material misstatements**

34. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Development priority (02) Basic Service Delivery and Infrastructure development. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

## ***Report on audit of compliance with legislation***

### **Introduction and scope**

35. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

36. The material findings on compliance with specific matters in key legislations are as follows:

#### **Asset management**

37. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) and 96(2)(a) of the MFMA.
38. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) and 96(2)(b) of the MFMA.
39. All investments were not made in accordance with the requirements of the investment policy, as required by Municipal investment regulation 3(3).

#### **Expenditure management**

40. Payments/ withdrawal were made from the municipality's bank account without the approval of the accounting officer as required by section 11(1) of the MFMA.
41. Effective steps were not taken to prevent irregular expenditure amounting to R74 511 293 as disclosed in note 43 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with SCM laws and regulations.
42. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R 609 247, as disclosed in note 41 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.

#### **Revenue management**

43. A credit control and debt collection policy was not implemented, as required by section 96(b) of the Municipal Systems Act and section 62(1)(f)(iii) of the MFMA.
44. Interest was not charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.
45. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.

#### Procurement and contract management

46. Bid adjudication committees were not always composed in accordance with Supply Chain Management (SCM) Regulation 29(2).
47. Contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13 (c).
48. Awards were made to providers who were in the service of other state institutions, in contravention of the MFMA 112(j) and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38 (1).

#### Annual financial statements and performance report

49. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA.

Material misstatements of non-current assets, current assets, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and/or the supporting records were provided subsequently, but the uncorrected material misstatements and/ or supporting records that could not be provided resulted in the financial statements receiving an adverse audit opinion.

#### Other information

50. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected development priorities presented in the annual performance report that have been specifically reported on in the auditor's report.
51. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
52. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

#### **Internal control deficiencies**

53. I considered internal control relevant to my audit of the statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for adverse opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

## **Leadership**

54. Reviews conducted on the annual financial statements and performance report did not detect or prevent the risks of material misstatements identified during the audit process. Managements slow response in resolving prior year findings and inability to follow a pro-active approach have resulted in material misstatements in the annual financial statements, performance reports and material non-compliance with laws and regulations.
55. Co-ordination between departments within the municipality is inadequate to resolve recurring findings.
56. The instability in the key leadership positions had an impact in addressing the prior year audit outcomes.
57. The municipality developed a plan to address internal and external audit findings, but the plan was not adhered to and/or timeously implemented to address matters reported in the prior year.
58. The municipality did not have an approved Human Resource plan for the year under review.

## **Financial and performance management**

59. Senior management did not adequately oversee the operations of the municipality, as the financial statements and annual performance report contained material misstatements not detected by the municipality's own system of internal control.
60. The municipality did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.
61. There was inadequate review and monitoring of compliance with applicable laws and regulations.
62. The implementation of the supply chain management processes and procedures were inadequate resulting in irregular expenditure.

## **Governance**

63. Although risk management and governance activities took place within the municipality and the necessary policies and procedures have been formulated and documented, the municipality's reactive approach in addressing inadequate systems of internal controls indicates that there are inadequate mitigating processes in place to address the municipality's reliance on key individuals and to guide the municipality through periods of change and unpredictability.

<b>Other reports</b>
----------------------

42. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
43. The municipality appointed an independent consultant to investigate allegations of possible misappropriation of the municipality's assets. The investigation against the former employee was concluded on 17 Feb 2017. Disciplinary proceedings were withdrawn and the former employee had subsequently resigned.

Polokwane

30 November 2017



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

DRAFT

## **Annexure – Auditor-general's responsibility for the audit**

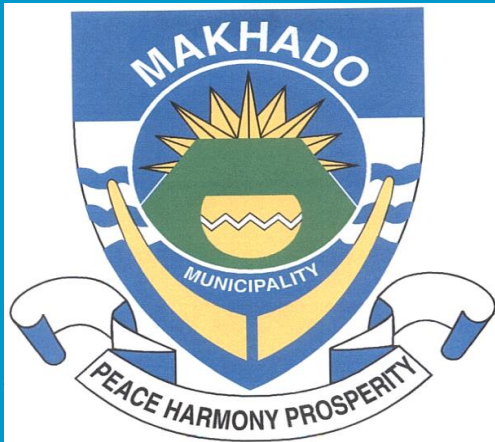
1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected development priorities and on the municipality's compliance with respect to the selected subject matters.

### **Financial statements**

64. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the which constitutes the accounting officer.
  - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Makhado Local Municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a municipality to cease to continue as a going concern.
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

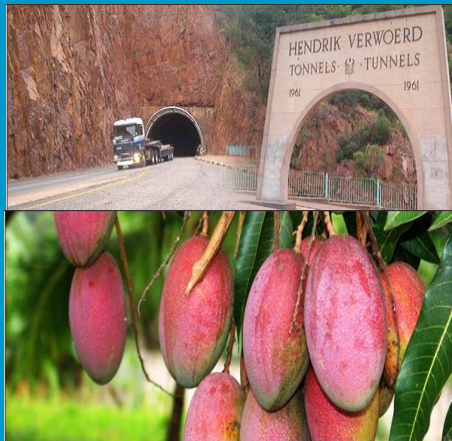
### **Communication with those charged with governance**

65. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
66. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.

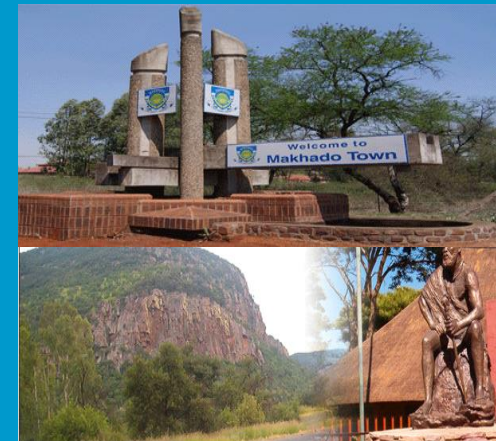


# ANNEXURES

## ANNEXURES A1 –A8



## ANNUAL REPORT 2016/2017



# ANNEXURE A- HIGH LEVEL SDBIP PERFORMANCE

<i>Priorit y Issue/ Progra mme</i>	<i>Devel opme nt Objec tive</i>	<i>Key Performanc e Indicators/ Measurable Objective</i>	<i>Baselin e (2014/2 015)</i>	<i>Annua l Target s</i>	<i>Perfo man ce Rem arks</i>	<i>Actual Annual Perfor mance</i>	<i>Cha llen ges</i>	<i>Measure s taken to improve/ interven tion</i>	<i>Projec t Name</i>	<i>Loca tion</i>	<i>War d/De pt</i>	<i>Fu ndi ng So urc e</i>	<i>Budget 16/17 R'000</i>	<i>Adjust ed Budget</i>	<i>Annual Expendi ture</i>	<i>Portfolio of Evidence</i>	<i>Dept</i>
<b>Annual</b>																	
<b><i>Integra ted Develo pment Planni ng</i></b>	Good gover nance and admin istrative excellence	To review the IDP for 2016/2017 financial year by 31 May 2017	IDP review for 2015/2 016 was comple ted and approv ed by Council before 31 May 2014	IDP review for 2015/2 016 comple ted and approv ed by Counci l by 31 May 2017	Targe t achie ved	IDP review for 2015/20 16 was comple ted and approve d by Council before 31 May 2014	Non e	None	IDP Revie w	Makh ado Muni cipali ty	N/A	Inc om e	Operati onal	Operati onal	Operatio nal	Council resolution s, Draft IDP, Attendanc e register, Invitations for strategic plan, IDP Consultati on attendanc e register.	<b>MM</b>

<b>Performance Management</b>	Good governance and administrative excellence	To develop the SDBIP 2016/2017 and submit to the Mayor for signature within 28 days after approval of the budget 30 June 2017	SDBIP 2015/2016 was developed and submitted to the Mayor within 28 days after approval of the budget	SDBIP 2016/2017 developed and submitted to the Mayor for signature within 28 days after approval of the budget	Target achieved	SDBIP 2016/2017 was developed and submitted to the Mayor within 28 days after approval of the budget	None	None	SDBIP Development	Makhado Municipality	N/A	Income	Operational	Operational	Operational	Signed SDBIP	<b>MM</b>
<b>Human Resources and Organizational Development</b>	Invest in human capital	# of people trained through WSP by 30 June 2017	151	151	Target Achieved	204 employees trained	None	None	Training	Makhado Municipality	N/A	Income	Operational	Operational	Operational	Proof of attendance	<b>CORP</b>



<b>Human Resources and Organizational Development</b>	Invest in human capital	To review the Organogram by 30 June 2017	Organogram 2015/2016 was approved	Approved Organogram by May 2016	Target Achieved	Organisational structure was submitted to Council with IDP	Tender is at evaluation stage	Awaiting for recommendations by Adjudication committee to re-advertise	Organogram review	Makhado Municipality	N/A	Income	Operational	Operational	Operational	Minutes and attendance register, Council resolutions,	<b>COR P</b>
<b>Human Resources and Organizational Development</b>	Invest in human capital	To review the HR Strategy by 30 June 2017	HR Strategy in place	HR Strategy reviewed	Target Achieved	HR Strategy was reviewed	None	None	HR Strategy review	Makhado Municipality	N/A	Income	Operational	Operational	Operational	Appointment letter, Draft HR Strategy, Approved HR Strategy, Council resolution	<b>COR P</b>
<b>Human Resources and Organizational Development</b>	Invest in human capital	# of people from EEP target groups employed in three highest levels of management in compliance with approved EE Plan by 30 June 2017	4	4	Target Achieved	4	None	None	Recruitment in terms of EE Plan	Makhado Municipality	N/A	Income	Operational	Operational	Operational	Appointment letters	<b>COR P</b>

<b>Spatial and Town Planning</b>	Advance Spatial Planning	% achievements of spatial programs indicators/targets per quarter by 30 June 2017	100% (16/16)	100% (16/16)	Target achieved	100% (16/16)	None	None	Permission to Occupy	Makhado Municipality	N/A	Income	Operational	Operational	Operational	Activity reports	<b>DEVP</b>
<b>4.2. BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (HIGHER SDBIP)</b>																	
<b>Waste Management</b>	Promote community and environmental welfare	% household with access to refuse removal by 30 June 2017	46637	13.3% (15481)	Target achieved	13.3% (15481)	None	None	Waste Management	All wards	All wards	Income	Operational	Operational	Operational	IDP document	<b>MM and COM</b>
<b>Waste Management</b>	Promote community and environmental welfare	# of households with access to refuse removal by 30 June 2017	46637	12787	Target achieved	15481 (Non Cumulative) collected	None	None	Waste Management	Ward 22, 23, 24, 25, 26.	Ward 22, 23, 24, 25, 26.	Income	Operational	Operational	Operational	Monthly collection reports	<b>MM and COM</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	% of households with access to electricity by 30 June 2017	93%	93.30%	Target achieved	93.30%	None	None	Electrification of households	Makhado Municipality	Ward 23, 25, 03	Income	21 824 299	16 000 000	16 000 000	Proof of connections to targeted households	<b>MM and TECH</b>

<b>Electricity Provision</b>	Accessible basic and infrastructure services	# of households to be connected with electricity by 30 June 2017	1180	1100	Target not achieved	992	Miscalculation on the actual households to be electrified	Proper planning and involvement of relevant stakeholders in the next IDP cycle	Electrification of households	Makhado Municipality	Ward 23,25,03	Income	21 824 299	16 000 000	16 000 000	Proof of connections to targeted households	<b>MM and TECH</b>
<b>Roads, Bridges and Storm water</b>	Accessible basic and infrastructure services	Km of roads tarred by 30 June 2017	18.9km	49.9	Target not achieved	14.8 km completed	Denial of access by farm owners	Matter resolved	Upgrading of roads	Makhado Municipality	Ward 23,21,13,04	MLG	78 199 144	136 817 564	104 686 768	Project progress report, Certificate of completion	<b>TECH</b>

#### 4.3. MUNICIPAL FINANCE MANAGEMENT AND VIABILITY (LOWER SDBIP)

<b>Financial Statements</b>	Sound Financial Management and viability	To obtain unqualified audit opinion by 31 December 2017	Unqualified audit opinion	Unqualified audit opinion obtained	N/A	N/A	N/A	N/A	Auditing of financial statements	Makhado Municipality	Administration	Income	Operational	Operational	Operational	AG report	<b>B&amp;T</b>
<b>Expenditure management</b>	Sound Financial Management and viability	% Capital budget spent by 30 June 2017 (Total budget spent/Total budget)	75% (Total budget spent/Total budget)	75 (Total budget spent/Total budget)	Target achieved	90 (Total budget spent/Total budget)	None	None	Capital Budget	Makhado Municipality	Administration	MLG	163 938 800.12	199 126 314.45	155 150 524.22	Quarterly Financial Report	<b>MM and All Directors</b>

<b>Expenditure management</b>	Sound Financial Management and viability	% MIG spent by 30 June 2017	75% (Total budget spent/Total budget)	100% (Total budget spent/Total budget)	Target achieved	100%	Rollover not spent 100 %	None	MIG	Makhado Municipality	Administration	Income	85 346 000	65 346 000	65 346 000	Quarterly Financial Report	<b>MM</b>
<b>Expenditure management</b>	Sound Financial Management and viability	% INEP Grants spent by 30 June 2017	100% (Total budget spent/Total budget)	100% (Total budget spent/Total budget)	Target achieved	100%	None	None	INEP	Makhado Municipality	Administration	Income	17 000 000.00	16 000 000.00	16 000 000.00	Quarterly Financial Report	<b>MM</b>
<b>Expenditure management</b>	Sound Financial Management and viability	% FMG by 30 June 2017	100%	100%	Target achieved	100%	None	None	FMG	Makhado Municipality	Administration	Income	1 600 000.00	1 600 000.00	1 600 000.00	Expenditure Report	<b>B&amp;T</b>
<b>Revenue Management</b>	Sound financial management and viability	% revenue collected by 30 June 2017	90%	90% (30800 4300)	Target not achieved	83% (412 880 397/.88)	Changing of meter reading service provider as they assist in credit control	Credit control system is active	Revenue Collection	Makhado Municipality	Administration	Income	342 227 123.00	719 929 000.00	412 880 397.88	Section 71 report (c1 schedule)	<b>B&amp;T</b>

4.4. LOCAL ECONOMIC DEVELOPMENT (HIGHER SDBIP)																	
<b>Local Economic Development</b>	Invest in local economy	# of LED job opportunities created by 30 June 2017	600	800	Target achieved	824	None	None	LED job opportunities	Makhado Municipality	All wards	Income	Operational	Operational	Operational	EPWP, CWP, and Community Projects reports	<b>MM and DEVP</b>
4.5. GOOD GOVERNANCE AND PUBLIC PARTICIPATION (HIGHER SDBIP)																	
<b>Risk Management</b>	Good governance and Administrative Excellence	# of risk activities coordinated by 30 June 2017	13	13	Target achieved	13	None	None	Risk Management activities	Makhado Municipality	Administration	Income	Operational	Operational	Operational	Risk Management Register and Reports	<b>MM</b>
<b>Internal Auditing</b>	Good governance and Administrative Excellence	No of internal audit indicators/ activities/ projects implemented by 30 June 2017	6	6	Target achieved	6	None	None	Internal Audit projects	Makhado Municipality	Administration	Income	Operational	Operational	Operational	Copy of the plan	<b>MM</b>
<b>Information Technology</b>	Good governance and Administrative Excellence	No of IT projects implemented by 30 June 2017	8	9	Target not achieved	5	Tender allocation could not be achieved in 2016/	Project referred to 2017/18 for tender allocation and implementation	IT Projects	Civic Centre	Administration	Income	R3000,000	227 200.04	2	Advertisement for RFP	<b>CORP</b>

							17 because of validity period										
<b>Council Services</b>	Good governance and Administrative Excellence	# of Council meetings convened by 30 June 2017	15	6	Target achieved	15	None	None	Council meetings	Makhado Municipality	Administration	Income	Operational	Operational	Operational	Minutes, Attendance register, notice of invitations	<b>CORP</b>
<b>Communication</b>	Good governance and Administrative Excellence	No of communication indicators/activities/projects implemented by 30 June 2017	5	3	Target achieved	3	None	None	Communication projects	Civic Center	Ward 20	Income	R20,000.00	80 000.00		TVs and payment certificates	<b>CORP</b>
<b>Public Participation</b>	Good governance and Administrative Excellence	No of public participation indicators/activities/projects implemented by 30 June 2017	6	6	Target achieved	6	None	None	Public Participation	Makhado Municipality	All wards	Income	Operational	Operational	Operational	Attendance register and Programme	<b>CORP</b>

**LOWER LEVEL SDBIP:**

**MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT (ANNEXURE A 1)**

<i>Priority Issue/Programme</i>	<i>Development Objective</i>	<i>Key Performance Indicators/Measurable Objective</i>	<i>Baseline</i>	<i>Annual Targets</i>	<i>Performance Remarks</i>	<i>Actual Annual Performance</i>	<i>Challenges</i>	<i>Measures taken to improve/intervention</i>	<i>Project Name</i>	<i>Location</i>	<i>Funding Source</i>	<i>Budget 16/17 R'000</i>	<i>Adjusted Budget</i>	<i>Annual Expenditure</i>	<i>Portfolio Of Evidence</i>	<i>Dept</i>
<b>5.1. MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</b>																
<b><i>Integrated Development Planning</i></b>	Good governance and administrative excellence	To review the IDP for 2016/2017 financial year by 31 May 2017	IDP review for 2015/2016 was completed and approved by Council before 31 May 2014	IDP review for 2015/2016 completed and approved by Council by 31 May 2017	Target achieved	IDP review for 2015/2016 completed and was approved by Council by 31 May 2017	None	None	IDP Review	Makhado Municipality	Income	Operational	Operational	Operational	Council resolutions, Draft IDP, Strategic plan report, Attendance register, Invitations for strategic plan, IDP Consultation attendance register, IDP Analysis phase	<b>MM</b>

<b>Performance Management</b>	Good governance and administrative excellence	To develop the SDBIP 2016/2017 and submit to the Mayor for signature within 28 days after approval of the budget 30 June 2017	SDBIP 2015/2016 was developed and submitted to the Mayor within 28 days after approval of the budget	SDBIP 2016/2017 developed and submitted to the Mayor for signature within 28 days after approval of the budget	Target achieved	SDBIP 2016/2017 was developed and submitted to the Mayor for signature within 28 days after approval of the budget	None	None	SDBIP Development	Makhado Municipality	Income	Operational	Operational	Operational	Signed SDBIP	<b>MM</b>
<b>Performance Management</b>	Good governance and administrative excellence	To benchmark with two municipalities for implementation of PMS system by 30 June 2017	No electronic PMS system	Electronic system purchased	Target achieved	Electronic system purchased	None	None	Benchmarking	Makhado Municipality	Income	Operational	1 600 000.00	1 220 000.00	Benchmarking report, advert and appointment letter.	<b>MM</b>



<b>Performance Management</b>	Good governance and administrative excellence	# of organisational performance reports developed and submitted to Council by 30 June 2017	8	8	Target achieved	8	No	None	Quarterly performance reports	Makhado Municipality	Income	Operational	Operational	Operational	Draft Annual Report, Fourth Quarter SDBIP Report 2014/2015, First Quarter SDBIP Report 2015/2016, Mid Year Performance Report 2015/2016, Oversight, Final Annual Report, Council Resolutions	<b>MM</b>
<b>Performance Management</b>	Good governance and administrative excellence	% Section 57 Managers with signed performance agreements by 30 September 2016 (# of managers with signed performance agreements/# of managers appointed)	100% (6/6)	100%	Target achieved	100%	No	None	Performance agreements	Makhado Municipality	Income	Operational	Operational	Operational	Signed Performance Agreements	<b>MM</b>

<b>Performance Management</b>	Good governance and administrative excellence	# of section 57 managers individual assessment conducted by 30 June 2017	4 section 57 managers individual assessment conducted	4 section 57 managers individual assessment conducted	Target achieved	4 section 57 managers individual assessment conducted	None	None	Individual Performance Assessment	Makhado Municipality	Income	Operational	Operational	Operational	Scorecards, Attendance Register	<b>MM</b>
<b>Human Resources and Organizational Development</b>	Invest in human capital	% posts filled in terms of the approved priority list by 30 June 2017	30 employees appointed	100% prioritised post filled	Target not Achieved	44 positions are interviewed	Delay in the recruitment process	Appointment to be finalized during first quarter 2017/18 financial	Personnel Recruitment	Makhado Municipality	Income	Operational	Operational	Operational	Advertisement, Shortlisting reports, Interview reports and Appointment letters	<b>CO RP</b>
<b>Human Resources and Organizational Development</b>	Invest in human capital	# of employee programmes events conducted by 30 June 2017	6 events	6 events	Target Achieved	6 events were held	None	None	Employee Assistance Campaigns	Makhado Municipality	Income	Operational	Operational	Operational	Invitations, attendance registers and close-out report	<b>CO RP</b>

<b>Human Resources and Organizational Development</b>	Invest in human capital	To develop outstanding HR policies by 30 June 2017	No transfer policy, Outdated Placement, Standby	(4) Transfer policy, Placement policy, Standby and Allowance policy	Target Achieved	(Transfer policy, Placement policy, Standby Allowance and Overtime policy) submitted to Council.	None	None	Review and Development of HR policies	Makhado Municipality	Income	Operational	Operational	Operational	LLF and Council resolutions, Draft and Final policy documents	<b>CO RP</b>
<b>Human Resources and Organizational Development</b>	Invest in human capital	# of employee trained through WSP by 30 June 2017	135	135	Target Achieved	204 employees trained	None	None	Training	Makhado Municipality	Income	Operational	Operational	Operational	Proof of attendance	<b>CO RP</b>
<b>Human Resources and Organizational Development</b>	Invest in human capital	# of councillors trained through WSP by 30 June 2017	16	16	Target Achieved	75 Councillors were trained	None	None	Training	Makhado Municipality	Income	Operational	2016/01/04	Operational	Proof of attendance	<b>CO RP</b>
<b>Human Resources and Organizational Development</b>	Invest in human capital	To review the Organogram by 30 June 2017	Organogram 2015/2016 was approved	Approved Organogram by June 2017	Target not Achieved	Organisational structure was submitted to Council with IDP	Tender is at evaluation stage	Awaiting for recommendations by Adjudication committee to re-advertise	Organogram review	Makhado Municipality	Income	Operational	Operational	Operational	Minutes and attendance register, Council resolutions,	<b>CO RP</b>

<b>Human Resources and Organizational Development</b>	Invest in human capital	To review the HR Strategy by 30 June 2017	HR Strategy in place	HR Strategy reviewed	Target Achieved	HR Strategy was reviewed	No	None	HR Strategy review	Makhado Municipality	Income	Operational	Operational	Operational	Appointment letter, Draft HR Strategy, Approved HR Strategy, Council resolution	<b>CO RP</b>
<b>Special Programs</b>	Promote community and environmental welfare	# of qualified learners awarded bursaries by 30 June 2017	10	15	Target achieved	19 qualified learners awarded bursaries	No	None	External Bursary Award	Makhado Municipality	Income	450 000	450 000	279 398	Advert and Letters of bursary awards	<b>CO RP</b>
<b>Special Programs</b>	Promote community and environmental welfare	# of activities conducted on special programs by 30 June 2017	48 events done in 2015/2016	49 for 2016/2017	Target achieved	50 activities conducted on special programs	No	None	Special Programs	Makhado Municipality	Income	600 000	600 000	755 154	Attendance registers, Signed minutes, Invitations, programs Close out report	<b>CO RP</b>
<b>Spatial and Town Planning</b>	Advance Spatial Planning	To purchase Plan Print Machine for Building Section by 31 March 2017	Old Machine	Plan Print Machine for Building Section purchased	Target Achieved	Plan Print Machine for Building Section purchased	No	None	Plan Print Machine	Makhado Municipality	INCOME	250 000.00	250 000.00	-	Specifications, Advertisement, Proof R22	<b>DE VP</b>

<b>Spatial and Town Plannin g</b>	Advanc e Spatial Plannin g	To finalise the extension of Civic Centre by 31 December 2016	New buildin g	Extens ion of Civic Centr e finaliz ed	Targ et Achie ved	Extensio n of Civic Centre finalized	No ne	None	Extens ion of Civic Centre	Makh ado Muni cipali ty	INC OM E	100 000.0 0	390 000.00	289 179 .45	Project Report	<b>DE VP</b>
<b>Spatial and Town Plannin g</b>	Advanc e Spatial Plannin g	To finalize the New Disaster centre -Erf 235 30 June 2017	New buildin g	New Disast er centre -Erf 235 finaliz ed	Targ et Achie ved	New Disaster centre - Erf 235 finalized	No ne	None	New Disast er centre -Erf 235	Makh ado Muni cipali ty	INC OM E	500 000.0 0	500 000.00	274 500 .00	Project Report	<b>DE VP</b>
<b>Spatial and Town Plannin g</b>	Advanc e Spatial Plannin g	To purchase 18 x Aircons for new offices by 31 March 2017	New buildin g	18 x Aircon s for new office s purch ased	Targ et Achie ved	18 x Aircons for new offices purchas ed	No ne	None	18 x Aircon s for new offices	Makh ado Muni cipali ty	INC OM E	200 000.0 0	280 900.00	267 790 .00	Proof of purchase and installatio n	<b>DE VP</b>
<b>Spatial and Town Plannin g</b>	Advanc e Spatial Plannin g	To purchase 2 x Theodolities for Survey Technician by 31 March 2017	New	2 x Theod olities for Surve y Techni cian purch ased	Targ et not achie ved	2 x Theodolities for Survey Technici an not purchas ed	Del ay in finalis ation of the sp ecif ication	Specific ation complet ed	2 x Theod olities for Survey Techni cian	Makh ado Muni cipali ty	INC OM E	100.0 00.00	50 000.00	-	Specificat ions, Advertise ment, Delivery note.	<b>DE VP</b>

<b>Spatial and Town Plannin g</b>	Advanc e Spatial Plannin g	Upgrading of Dzanani Traders Market 30 June 2017	N/A	Upgra ding of Dzan ani Trade rs Marke t	Proje ct cancell ed. Desig ns to be done durin g 17/18 finan cial year	Project cancell ed. Designs to be done during 17/18 financial year	Proje ct cancell ed. Desig ns to be do ne dur ing 17/ 18 fin an cial ye ar	Project will be impleme nted by Technic al Services Departm entdurin g 2017/18 financial year	Upgra ding of Dzana ni Trade rs Market	Makh ado Muni cipali ty	INC OM E	200 000.0 0	200 000.00	-	Designs, Specificat ions, Advertise ment, Appointm ent letter	<b>DE VP</b>
<b>Spatial and Town Plannin g</b>	Advanc e Spatial Plannin g	% application for PTO attended to within 90 days after receival by 30 June 2017	100% (# of applica tion receive d/(# of applica tion attende d to within 90 days).	100% (# of applica tion receiv ed/(# of applica tion attend ed to within 90 days).	Targ et achie ved	139/139 (100%)	No ne	None	Permis sion to Occup y	Makh ado Muni cipali ty	INC OM E	Opera tional	Operat ional	Op erat ion al	Site inspectio n report, Register of applicatio ns	<b>DE VP</b>

<b>Spatial and Town Plannin g</b>	Advanc e Spatial Plannin g	% housing queries attended to within 30 days after receipt by 30 June 2017	100% (# of housin g queries attende d within 30 days/# of receive d)	100% (# of housi ng querie s attend ed within 30 days/ # of receiv ed)	Targ et achie ved	29 housing queries attended and 12 title deeds issued	No ne	None	Housin g Coordi nation	Makh ado Muni cipali ty	INC OM E	Opera tional	Operat ional	Op erat ion al	Complain ts letters, Accounts applicatio ns, Correspo nded letters with CFO	<b>DE VP</b>
<b>Spatial and Town Plannin g</b>	Advanc e Spatial Plannin g	% building plans assessed by 30 June 2017 (# of building plans assessed/# of building plans received)	100% proces sed	100%	Targ et achie ved	172 (100%)	No ne	None	Buildin g Plans	Makh ado Muni cipali ty	INC OM E	Opera tional	Operat ional	Op erat ion al	Building plans register	<b>DE VP</b>
<b>Spatial and Town Plannin g</b>	Advanc e Spatial Plannin g	% of zoning certificates issued by 30 June 2017 (# of applications processed/# applications received)	100% proces sed	100% (# of applic ations proces sed/ # applic ations receiv ed)	Targ et achie ved	125/125 (100%) (# of applicati ons process ed/# applicati ons received )	No ne	None	Zoning of land	Makh ado Muni cipali ty	INC OM E	Opera tional	Operat ional	Op erat ion al	Zoning certificate s issued	<b>DE VP</b>

<b>Spatial and Town Plannin g</b>	Advanc e Spatial Plannin g	% rezoning, subdivision, special consent and consolidation applications assessed by 30 June 2017 (# of applications processed/# applications received)	100% proces sed	100% (# of applic ations proces sed/# applic ations receiv ed)	Targ et achie ved	94/94 (100%) (# of applicati ons process ed/# applicati ons received )	No ne	None	Rezoni ng of land	Makh ado Muni cipali ty	INC OM E	Opera tional	Operat ional	Op erat ional	EXCO resolution s	<b>DE VP</b>
<b>Spatial and Town Plannin g</b>	Advanc e Spatial Plannin g	% application for land use rights inspection conducted within 14 days by 30 June 2017	100% (# of applica tion for land use rights inspect ion conduc ted within 14 days/# of applica tion receive d)	100% (# of applic ation for land use rights inspe ction condu cted within 14 days/# of applic ation receive d)	Targ et achie ved	62/62 (100%) (# of applicati on for land use rights inspecti on conduct ed within 14 days/# of applicati on received )	No ne	None	Land Use Manag ement	Makh ado Muni cipali ty	INC OM E	Opera tional	Operat ional	Op erat ional	Site inspectio n report, Register of applicatio ns	<b>DE VP</b>



<b>Spatial and Town Plannin g</b>	Advanc e Spatial Plannin g	% certificates of occupancy issued by 30 June 2017 (# of applications processed/# of applications received)	100% proces sed	100% (# of applic ations proces sed/# of applic ations receiv ed)	Targ et achie ved	27/27 (100%) (# of applicati ons process ed/# of applicati ons received )	No ne	None	Occup ancy of land	Makh ado Muni cipali ty	INC OM E	Opera tional	Operat ional	Op erat ion al	Copy of occupanc y certificate s issued	<b>DE VP</b>
<b>Spatial and Town Plannin g</b>	Advanc e Spatial Plannin g	% application for pegging attended to within 15 days after receival by 30 June 2017	100% (# of applica tions proces sed/# of applica tions receive d)	100% (# of applic ations proces sed/# of applic ations receiv ed)	Targ et achie ved	98/98 (100%) (# of applicati ons process ed/# of applicati ons received )	No ne	None	Peggin g Applic ations	Makh ado Muni cipali ty	INC OM E	Opera tional	Operat ional	Op erat ion al	Applicatio n Assessm ent Report, Register of applicatio ns	<b>DE VP</b>
<b>Spatial and Town Plannin g</b>	Advanc e Spatial Plannin g	% application for demarcation of new site attended to within 30 days after receival by 30 June 2017	100% (# of applica tions proces sed/# of applica tions receive d)	100% (# of applic ations proces sed/# of applic ations receiv ed)	Targ et achie ved	53/53 (100%) (# of applicati ons process ed/# of applicati ons received )	La ck of ser vic e wo rke rs to ass ist the lan d sur vey	Awaiting appoint ment of service workers	Demar cation of sites	Makh ado Muni cipali ty	INC OM E	1000 000 .00	1000 000 .00	-	Applicatio n Assessm ent Report, Register of applicatio ns	<b>DE VP</b>

							or whilst on site									
<b>Spatial and Town Plannin g</b>	Advanc e Spatial Plannin g	% property application processed within 30 days of receipt by 30 June 2017	100% (# of applica tions proces sed/# of applica tions receive d)	100% (# of applica tions proces sed/# of applica tions receive d)	Targ et achie ved	41/41 (100%) (# of applicati ons process ed/# of applicati ons received )	No ne	None	Proper ty applica tion	Makh ado Muni cipali ty	INC OM E	Opera tional	Operat ional	Op erat ion al	Applicatio n Assessm ent Report, Register of applicatio ns	<b>DE VP</b>
<b>Spatial and Town Plannin g</b>	Advanc e Spatial Plannin g	% land claims queries coordinated within 30 days after receipt	100% (# of queries proces sed/# of queries receive d)	100% (# of queries proces sed/# of queries receive d)	Targ et achie ved	04/04 (100%) (# of queries process ed/# of queries received )	No ne	None	Land Claims	Makh ado Muni cipali ty	INC OM E	Opera tional	Operat ional	Op erat ion al	Correspo ndence letters and emails.	<b>DE VP</b>
<b>Spatial and Town Plannin g</b>	Advanc e Spatial Plannin g	% by law contraventions notices issued within 5 days after identification by 30 June 2017	100% (# of contrav ention notices issued within 5 days/# of contrav ention	100% (# of contra ventio n notice s issue d within 5 days/	Targ et Achie ved	80/80 (100%) (# of contrave ntion notices issued within 5 days/# of contrave ntion	No ne	None	By Law Enforc ement	Makh ado Muni cipali ty	INC OM E	Opera tional	Operat ional	Op erat ion al	Duplicate notices	<b>DE VP</b>

			identified)	# of contravention identified)		identified)										
<b>Spatial and Town Planning</b>	Advance Spatial Planning	% site inspection applications done within 24 hours by 30 June 2017	100% (# of site inspections conducted within 24 hours/# of site inspections application received)	100% (# of site inspections conducted within 24 hours/# of site inspections application received)	Target Achieved	164/164 (100%) (# of site inspections conducted within 24 hours/# of site inspections application received)	None	None	Site Inspection	Makhado Municipality	INCOME	Operational	Operational	Operational	Inspection form, Register	<b>DE VP</b>
<b>Spatial and Town Planning</b>	Advance Spatial Planning	To name the streets in the R293 townships by 30 June 2017	Consultation/ Establishment of committees/Some names completed	Provision of street names for R293 towns completed	Target not achieved	Tender awaiting appointment	Tender was readvertised. It is awaiting appointment.	Tender was readvertised. It is awaiting appointment.	Street Naming	Makhado Municipality	INCOME	200 000.00	29 100.00	28 140.00	Expenditure Report	<b>DE VP</b>

Basic Service Delivery and Infrastructure Development (Annexure A 2)

<i><b>Priorit y Issue</b></i>	<i><b>Deve lopment Obj ective</b></i>	<i><b>Key Perform ance Indicators /Measurab le Objective</b></i>	<i><b>Base line</b></i>	<i><b>Annual Targets</b></i>	<i><b>Per form ance Rem arks</b></i>	<i><b>Actual Annual Perform ance</b></i>	<i><b>Cha llen ges</b></i>	<i><b>Mea sure s take n to impr ove/ inter venti on</b></i>	<i><b>Project Name</b></i>	<i><b>Location /Ward</b></i>	<i><b>Fund ing Sour ce</b></i>	<i><b>Budg et 16/17 R'000</b></i>	<i><b>Adjust ed Budge t</b></i>	<i><b>Ann ual Exp endi ture</b></i>	<i><b>Portfolio of Evidence</b></i>	<i><b>DEP T</b></i>
<b>5.2. BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b>																
<b><i>Disast er Mana geme nt</i></b>	Promote community and environmental welfare	To review the Disaster Management Plan and by 30 June 2017	Disaster Management Plan was reviewed and included to the IDP for 2015/2016	Disaster Management Plan reviewed and included to the IDP for 2016/2017	Target achieved	Disaster Management Plan was reviewed and included to the IDP for 2016/2017	None	None	Annual Revision of the Disaster Management Plan	Makhado Municipality	INC OME	Operational	Operational	Operational	Letter of request Copies of received information Draft Disaster Management Plan Final Reviewed Disaster Management Plan	<b>COM M</b>
<b><i>Librar y Servic es</i></b>	Promote community and environment	To remove the old library roof by 30 June 2017	Roof damaged	Removal of the library roof completed	Target achieved	Removal of the library roof completed	None	None	Refurbish library roof	Makhado Municipality	INC OME	1 200 000.00	1 200 000.00	0.00	Project Progress report	<b>TEC H/C OMM</b>

	al welfar e															
<b>Waste Mana geme nt</b>	Promo te comm unity and enviro nment al welfar e	# of househol ds with access to refuse removal by 30 June 2017	4663 7	12787	Targ et achi eved	12787 (Non Cumulati ve) collected	Non e	Non e	Waste Manage ment	Ward 22, 23, 24, 25, 26.	INC OME	Operat ional	Operat ional	Oper ation al	Monthly collection reports	<b>COM M</b>
<b>Parks and Recre ation</b>	Promo te comm unity and enviro nment al welfar e	To develop E59 and E60 Park (Makhad o Town) by 30 June 2017	Devel opme nt	Develop ment of E59 and E60 Park (Makhad o Town) complet ed	Proj ect rem oved durin g budg et adju stme nt	Project removed during budget adjustm ent	Proj ect rem ove d durin g budg et adju stm ent	Proje ct rem oved durin g budg et adju stm ent	Develop ment of E59 and E60 Park (Makhad o Town)	Makhado Municipa lity	INC OME	400 000.00	0.00	0.00	Approval memo, appointment letter, Completion certificate	<b>COM M</b>
<b>Parks and Recre ation</b>	Promo te comm unity and enviro nment al welfar e	To construct Tshikota cemetery ablution facilities by 31 March 2017	No abluti on faciliti es	Constru ction of Tshikota cemetery y ablution facilities complet ed	Targ et achi eved	Tshikota cemeter y ablution facilities complet ed	Non e	Non e	Constru ction of Tshikota cemeter y ablution facilities	Makhado Municipa lity	INC OME	200 000.00	200 000.00	169 900. 00	Approval memo, appointment letter, Completion certificate	<b>COM M</b>

<b>Protection Services</b>	Promote community and environmental welfare	Establishment of Watervaal Registering Authority by 30 June 2017	New	Establishment of Watervaal Registering Authority completed	Project removed during budget adjustment	Project removed during budget adjustment	Project removed during budget adjustment	Project removed during budget adjustment	Establishment of Watervaal Registering Authority	Watervaal Traffic Station	INC OME	200 000.00	200 000.00	16 729.29	Purchase order	<b>COM M</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	To replace air conditioners by 30 June 2017	New	Air Conditioners replaced	Target achieved	Twenty (20) air conditioners were replaced	None	None	Air Conditioners	Makhado	INC OME	150 000.00	150 000.00	87 082.00	Advertisement, Adjudication minutes, appointment letter and Job Cards	<b>TECH</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	To purchase CT VT Units 11kv and 22kv by 30 June 2017	New	CT VT Units 11kv and 22kv purchased	Target achieved	CT VT Units 11kv and 22kv purchased	None	None	CT VT Units 11kv and 22kv	Makhado	INC OME	400 000.00	-	-	Advertisement, Adjudication minutes, appointment letter and Job Cards	<b>TECH</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	To procure Mini Substation by 31 March 2017	New	Mini Subs replaced	Target achieved	Mini Subs replaced	None	None	Mini Subs	Makhado	INC OME	700 000.00	257 000.00	1, 540 463.00	Specification, orders, GRV	<b>TECH</b>

<b>Electricity Provision</b>	Accessible basic and infrastructure services	To procure MV Cable 70 mm 11kv by 31 March 2017	New	MV Cable 70mm 11kV procured	Project removed during budget adjustment	Project removed during budget adjustment	Project removed during budget adjustment	Project removed during budget adjustment	MV Cable 70mm 11kV	Makhado	INC OME	500 000.00	-	-	Specification , orders, GRV	<b>TECH</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	To purchase strategic spares by 31 March 2017	New	Strategic spares	Project removed during budget adjustment	Project removed during budget adjustment	Project removed during budget adjustment	Project removed during budget adjustment	Strategic spares	Makhado	INC OME	200 000.00	-	-	Specification , orders, GRV	<b>TECH</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	To deliver material to replace Ring Main Units 11 kV ( RMU) by 30 June 2017	New	Ring Main Units 11 kV ( RMU) delivered and installed	Target achieved	Delivery of materials done for Ring Main Units 11 kV ( RMU) done and installation completed	None	None	Ring Main Units 11 kV ( RMU)	Makhado	INC OME	5 000 000.00	1 443 000.00	1 400 000.00	Specification , orders, GRV	<b>TECH</b>

<b>Electricity Provision</b>	Accessible basic and infrastructure services	To upgrade Shefeera Line by 30 June 2017	Upgrade	Shefeera Line Upgrade	Target achieved	Shefeera Line upgrade	None	None	Upgrade Shefeera Line	Makhado Municipality	INC OME	300 000.00	300 000.00	263 157.86	List of Labourer, Completion certificate	<b>TECH</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	To upgrade and reroute Beaufort West line by 30 June 2017	Upgrade	Reroute of Beaufort West line upgrade	Target achieved	Reroute of Beaufort West line upgrade	None	None	Upgrade and reroute Beaufort West line	Beaufort West line	INC OME	1 000 000.00	1 000 000.00	982 525.35	Desings , Advertisment, Adjudication minutes and completion certificate	<b>TECH</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	To upgrade urban substation by 30 June 2017	Upgrade	Materials delivered	Target achieved	Material delivered (22kv panels).	None	None	Upgrade urban substation	Makhado Municipality	INC OME	5 000 000.00	5 000 000.00	3 033 512.22	Progress report handover and Completion certificate	
<b>Electricity Provision</b>	Accessible basic and infrastructure services	To upgrade bulk supply Tshituni (2.5MVA) by 30 June 2017	Upgrade	Site handover	Target achieved	Site handover done	None	None	Upgrading bulk supply Tshituni (2.5MVA)	Makhado Municipality	INC OME	3 000 000.00	3 000 000.00	825 519.86	Specifications and minutes of the site handover meeting	<b>TECH</b>



<b>Electricity Provision</b>	Accessible basic and infrastructure services	To upgrade Mountain line by 30 June 2017	Upgrade	Mountain line upgraded	Project removed during budget adjustment	Project removed during budget adjustment	Project removed during budget adjustment	Project removed during budget adjustment	Upgrading Mountain line	Makhado Municipality	INCOME	300 000.00	-	-	List of Labourer, Completion certificate	<b>TECH</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	To replace outdoor Circuit breaker by 30 June 2017	New	Evaluate, adjudicate and award tender.	Target achieved	Evaluation done adjudication done and award of tender done	None	None	Circuit breaker	Makhado Municipality	INCOME	1 000 000.00	1 000 000.00	-	Advertisement, Adjudication minutes appointment letter, Completion certificate	<b>TECH</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	To replace channel cover by 30 June 2017	New	Replacement of channel cover completed	Target not achieved	Replacement of channel cover not completed	No eligible bidder in the tender advert. Quotation process could	To be implemented in the next FY	Substation channel cover replacements	Makhado Municipality	INCOME	250 000.00	250 000.00	-	Advert, evaluation minutes, Purchase order	<b>TECH</b>

							not suc cee d as well as ther e is only one sup plier in the data bas e									
<b>Electricity Provision</b>	Accessible basic and infrastructure services	Purification of transformer oil by 30 June 2017	N/A	Transformer oil purified	Target achieved	Transformer oil purified	None	None	Transformer oil	Makhado Municipality	INC OME	350 000.00	350 000.00	136 673.56	Specs, Ads, evaluation & adjudication minutes. Appointment letter. Order.	<b>TECH</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	To renovate Substation control room by 30 June 2017	N/A	Substation control room renovated	Target achieved	Substation control room renovated	None	None	Substation control room renovations	Makhado Municipality	INC OME	100 000.00	100 000.00	64 361.20	Advert, evaluation minutes, Purchase order	<b>TECH</b>

<b>Electricity Provision</b>	Accessible basic and infrastructure services	To Service OCB's substation by 30 June 2017	N/A	Service OCB's	Target achieved	OCB's Serviced	None	None	Service OCB's	Makhado Municipality	INC OME	200 000.00	200 000.00	74 560.21	Advert, evaluation minutes, Purchase order	<b>TECH</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	To refurbish Transformer in (Levubu) by 30 June 2017	N/A	Transformer refurbished (Levubu)	Target achieved	Transformer refurbished (Levubu)	None	None	Transformer refurbishment (Levubu)	Makhado Municipality	INC OME	600 000.00	800 000.00	742 500.00	Advert, adjudication minutes, Completion certificate	<b>TECH</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	Post connection Own licensed areas by 30 June 2017	N/A	Post connection Own licensed areas	Target achieved	Post connection Own licensed areas done	None	None	Post connection Own licensed areas	Makhado Municipality	INC OME	2 000 000.00	3 000 000.00	2 203 77.62	Appointment letter, project progress report, completion certificate	<b>TECH</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	To design electricity network at Tshikhwani/Rathidili by 30 September 2016	Design	Tshikhwani/Rathidili designs completed	Target achieved	Tshikhwani/Rathidili designs completed	None	None	Tshikhwani/Rathidili	Tshikhwani/Rathidili	INEP	16634 85.12	259 919.55	827 692.16	Designs	<b>TECH</b>

<b>Electricity Provision</b>	Accessible basic and infrastructure services	To design electricity network at Maname Paradise by 31 March 2017	Design	Maname Paradise designs completed	Target achieved	Maname Paradise designs completed	None	None	Maname Paradise	Maname Paradise	INEP	831742.56	129959.78	0.00	Designs	<b>TECH</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	To connect electricity at Ratombo by 30 September 2016	New Connection	Ratombo (200) connection completed	Target not achieved	Ratombo (146) connection completed	None	None	Ratombo	Ratombo	INEP/income	1708852.9	472581.00	2073284.95	Specifications, advertisement, appointment letter, Designs, Minutes of site handover, project progress report	<b>TECH</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	To connect electricity at Tshiozwi/Gogobole phase 2 by 31 March 2017	New Connection	Tshiozwi / Gogobole phase 2 (199) completed	Target achieved	Tshiozwi / Gogobole phase 2 (199) completed	None	None	Tshiozwi / Gogobole phase 2	Tshiozwi/Gogobole phase 2	INEP	1512259.2	2986290.50	1555279.85	Progress report and Completion certificate	<b>TECH</b>

<b>Electricity Provision</b>	Accessible basic and infrastructure services	To connect electricity at Magau/Makhitha/Tshikodobo/Zameko mste phase 2 by 31 March 2017	New Connection	Magau/Makhitha/Tshikodobo/Zameko mste (123) phase 2 completed	Target achieved	Magau/Makhitha/Tshikodobo/Zameko mste (123) phase 2 completed	None	None	Magau/Makhitha/Tshikodobo/Zameko mste phase 2	Magau/Makhitha/Tshikodobo/Zameko mste phase 2	INEP	146500.11	1 846 500.11	1 478 564.53	Progress report and Completion certificate	<b>TECH</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	To connect electricity at Mamburu phase 2 by 31 March 2017	New Connection	Mamburu phase 2 (186) connection completed	Target achieved	Mamburu phase 2 (186) connection completed	None	None	Mamburu	Mamburu	INEP	354435.75	-	1 512 259.19	Payment certificate	<b>TECH</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	To design electricity network at Madabani by 31 March 2017	New Connection	Madabani designs completed	Target achieved	Madabani designs completed	None	None	Madabani	Madabani	INEP	129 959.78	-	231 742.56	Designs	<b>TECH</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	To connect electricity at Sukani Phase 2 by 30 September 2016	New Connection	Sukani (80) connection completed	Target achieved	Sukani (80) connection completed	None	None	Sukani	Sukani	INEP	1 814 814.72	347 359.46	1 419 346.35	Project progress report completion certificate	<b>TECH</b>

<b>Electricity Provision</b>	Accessible basic and infrastructure services	To connect electricity at Freedom Lusaka Phase 2 by 30 September 2016	New Connection	Freedom Lusaka (51) Phase 2 connection completed	Target achieved	Freedom Lusaka (51) Phase 2 connection completed	None	None	Freedom Lusaka Phase 2	Freedom Lusaka Phase 2	INEP	125 241	125 241	1 789 329	Specifications, advertisement, appointment letter, Designs, Minutes of site handover, labourer appointment report, project progress report	<b>TECH</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	To connect electricity at Manavhela/Madodonga phase 2 by 31 March 2017	New Connection	Manavhela/Madodonga phase 2 (207) completed	Target achieved	Manavhela/Madodonga phase 2 (207) completed	None	None	Manavhela/Madodonga phase 2	Manavhela/Madodonga phase 2	INEP	285 927.84	1 649 113.59	3 875 072.70	Progress report and Completion certificate	<b>TECH</b>
<b>Electricity Provision</b>	Accessible basic and infrastructure services	To design electricity network at Mavhunga/Muromani by 31 December 2017	Design	Mavhunga/Muromani design completed	Target achieved	Mavhunga/Muromani design completed	None	None	Mavhunga Muromani	Mavhunga Muromani	INEP	14178 4.9	141 784.90	369 886.38	Designs	<b>TECH</b>

<b>Electricity Provision</b>	Accessible basic and infrastructure services	To pay the engineer on the electrification of Vyeboom by 30 September 2017 (R867 541.56)	Payment	Payment Done	Target achieved	Payment done	None	None	Payment	Vyeboom	INEP	867542	867542	867542.00	Payment certificate	<b>TECH</b>
<b>Roads, Bridges and Storm water</b>	Accessible basic and infrastructure services	To revitalize the OK/Shoprite Traders market project by 30 June 2017	N/A	Contract for revitalization of OK/Shoprite Traders market awarded	Target not achieved	Tender re-advertised. Tender was evaluated and adjudicated. Awarding and design not done	Tender validity period	Re-advertise in the next FY	OK/Shoprite Traders market revitalization project	Makhado Municipality	MIG	500 000.00	500 000.00	(9 776 180.32)	Specification and advert	<b>TECH</b>
<b>Roads, Bridges and Storm water</b>	Accessible basic and infrastructure services	To construct road Sereni Themba to Mashamba post office (phase 3) by 30 June 2017 (4.2km)	Phase 1 and 2 Constructed	Surfacing completed for 4.2 km	Target not achieved	Surfacing not completed	Denial of access by farm owners	Matter resolved	Sereni Themba to Mashamba post office (phase 3)	Makhado Municipality	MIG	11 800 000.00	9 000 000.00	9 776 180.32	Site establishment report, project progress report	<b>TECH</b>

<b>Roads, Bridges and Storm water</b>	Accessible basic and infrastructure services	To construct Robert khoza street (Chavani and Bungeni road) by 31 December 2017 (3.5km)	N/A	Robert khoza street (Chavani and Bungeni road) for 3.5km completed	Target achieved	Robert khoza street (Chavani and Bungeni road) 3.5km completed	None	None	To construct Robert khoza street (Chavani and Bungeni road)	Makhado Municipality	MIG	9 246 000.00	13 254 837.11	15 290 869.51	Project progress report, handover report	<b>TECH</b>
<b>Roads, Bridges and Storm water</b>	Accessible basic and infrastructure services	To construct Tshikwarani to Zamkomste Road - 1.5km by 30 June 2017	N/A	Complete roadbed, subbase and base layers (1.5km)	Target achieved	Roadbed, subbase and base layers (1.5km) completed	None	None	Tshikwarani to Zamkomste Road - 1.5km	Makhado Municipality	MIG	11 800 000.00	4 500 000.00	6 553 698.23	Site establishment report, project progress report	<b>TECH</b>
<b>Roads, Bridges and Storm water</b>	Accessible basic and infrastructure services	To construct Tshirolwe, Matsa to Manyi road Phase 1- 1.2km by 30 June 2017	N/A	Complete roadbed, subbase and base layers (1.2km)	Target achieved	Roadbed, subbase and base layers (1.2km) completed	None	None	Tshirolwe, Matsa to Manyi road P1- 1.2km	Makhado Municipality	MIG	11 800 000.00	9 500 000.00	9 063 683.19	Site establishment report, project progress report	<b>TECH</b>
<b>Roads, Bridges and Storm</b>	Accessible basic and infrastructure	To construct Tshedza to Vuvha road- 1km by	New	Tshedza to Vuvha road- 1km completed	Target achieved	Tshedza to Vuvha road- 1km completed	None	None	Tshedza to Vuvha road- 1km	Makhado Municipality	MIG	11 800 000.00	5 500 000.00	7 663 392.75	Site establishment report, project progress report	<b>TECH</b>



<b>water</b>	services	30 June 2017														
<b>Roads, Bridges and Storm water</b>	Accessible basic and infrastructure services	To construct Gombiti, Tshivhuyuni to Mamphagi road Phase 1- 1.4 km by 30 June 2017	New	Gombiti, Tshivhuyuni to Mamphagi road Phase 1- 1.4km completed	Target achieved	Gombiti, Tshivhuyuni to Mamphagi road Phase 1- 1.4km completed	None	None	Gombiti, Tshivhuyuni to Mamphagi P1- 1.4 km	Makhado Municipality	MIG	11 800 000.00	4 300 000.00	6 694 245.44	Site establishment report, project progress report	<b>TECH</b>
<b>Roads, Bridges and Storm water</b>	Accessible basic and infrastructure services	To construct Xitacini to Jiweni Phase 1 - 2km by 30 June 2017	New	Complete base layer and surfacing of 2km road	Target achieved	Base layer and surfacing of 2km road completed	None	None	Xitacini to Jiweni P1 - 2km	Makhado Municipality	MIG	11 800 000.00	12 500 000.00	12 123 472.16	Site establishment report, project progress report	<b>TECH</b>
<b>Roads, Bridges and Storm water</b>	Accessible basic and infrastructure services	To rehabilitate internal streets by 30 June 2017	Gravel	Rehabilitation of Internal Streets completed	Target achieved	Rehabilitation of Internal Streets completed	None	None	Rehabilitation of Internal Streets	Makhado Municipality	INC OME	3 000 000	3 000 000	388 744	Spec, Advert and progress report	<b>TECH</b>

<b>Roads, Bridges and Storm water</b>	Accessible basic and infrastructure services	Fencing of graveyards by 31 March 2017	Development	Fencing of graveyards completed	Target achieved	Fencing of graveyards completed	None	None	Fencing of graveyards	Hanani, Hlanganani township, Tsianda, Ndouvha da, Vleifontein.	MIG	2 500 000	2 000 000	2 554 326	Spec, Advert and completion certificate	<b>TECH</b>
<b>Building and Construction</b>	Accessible basic and infrastructure services	To develop refuse transfer station for Waterval Region by 30 June 2017	New	Evaluate, adjudicate and award contract. Commence with design in 2017/18	Target not achieved	Tender re-advertised. Evaluation done, adjudication done. Tender re-advertised. Awarding and design not done	Tender validity period	Re-advertise in the next FY	Development of refuse transfer station for Waterval Region	Makhado Municipality	MIG	500 000.00	320 000.00	(678 000.00)	Specification and advert	<b>TECH</b>

<b>Building and Construction</b>	Accessible basic and infrastructure services	To construct waste Disposal Cell (New landfill ) 30 June 2017	New	Evaluate , adjudicate and award contract. Commence with design in 2017/18	Target not achieved	Tender re-advertised. Evaluation done, adjudication done Tender re-advertised. Awarding and design not done	Tender validity period	Re-advertise in the next FY	Construction of waste Disposal Cell (New landfill )	Makhado Municipality	MIG	500 000.00	380 000.00	678 000.00	Specification and advert	<b>TECH</b>
<b>Building and Construction</b>	Accessible basic and infrastructure services	To upgrade Dzanani Transfer Station - Elec+ Guard room by 30 June 2017	Upgrade	Evaluate , adjudicate and award contract. Commence with design in 2017/18	Target not achieved	Tender re-advertised. Evaluation done, adjudication done Tender re-advertised. Awarding and design not done	Tender validity period	Re-advertise in the next FY	Upgrade Dzanani Transfer Station - Elec+ Guard room	Makhado Municipality	MIG	800 000.00	800 000.00	178 226.00	Specification and advert	<b>TECH</b>

<b>Building and Construction</b>	Accessible basic and infrastructure services	Development of Kutama/Sinthumule Stadium by 30 June 2017	Development	Evaluate, adjudicate and award contract. Commence with design in 2017/18	Target not achieved	Tender re-advertised. Evaluation done, adjudication done. Tender re-advertised. Awarding and design not done	Tender validity period	Re-advertise in the next FY	Development of Kutama/Sinthumule Stadium	Makhado Municipality	MIG	500 000.00	500 000.00	(304 790.00)	Specification and advert	<b>TECH</b>
<b>Building and Maintenance</b>	Accessible basic and infrastructure services	Refurbishment of Caravan Park buildings 30 June 2017	Refurbishment	Refurbishment of Caravan Park buildings completed	Target achieved	Refurbishment of Caravan Park buildings completed	None	None	Refurbishment of Caravan Park buildings	Makhado	INCOME	300 000.00	455 000.00	304 790.00	Advertisement, Appointment letter and completion certificate	<b>TECH</b>
<b>Building and Maintenance</b>	Accessible basic and infrastructure services	Ablution of Tree Park Facility by 30 June 2017	New	Ablution of Tree Park Facility completed	Target achieved	Ablution of Tree Park Facility completed	None	None	Ablution of Tree Park Facility	Makhado	INCOME	150 000.00	250 000.00	251 080.00	Spec, Advert and completion certificate	<b>TECH</b>
<b>Building and Maintenance</b>	Accessible basic and infrastructure services	To construct Standby quarter perimeter wall by 31 March 2017	Development	Standby quarter perimeter wall	Target achieved	Standby quarter perimeter wall completed	None	None	Standby quarter perimeter wall	Makhado	INCOME	225 000.00	325 000.00	394 278.61	Specification, advertisement, project progress report	<b>TECH</b>

<b>Building and Construction</b>	Accessible basic and infrastructure services	To construct Carport for Employees at Dzanani Traffic by 31 March 2017	New	Construction for Carport completed	Target achieved	Construction for Carport completed	None	None	Construction for Carport	Makhado Municipality	INCOME	50 000.00	47 050.00	44 561.40	Spec, Advert and completion certificate	<b>TECH</b>
<b>Building and Construction</b>	Accessible basic and infrastructure services	To remove underground fuel tanks and rehabilitate the soil 30 June 2017	New	Remove underground fuel tanks and rehabilitate the soil completed	Target achieved	Removal of underground fuel tanks and rehabilitate the soil completed	None	None	Remove underground fuel tanks and rehabilitate the soil	Makhado Municipality	INCOME	900 000.00	895 000.00	760 000.00	Spec, Advert and completion certificate	<b>TECH</b>

# MUNICIPAL FINANCE AND VIABILITY MANAGEMENT

<i>Priority Issue/Programme</i>	<i>Development Objective</i>	<i>Key Performance Indicators/Measurable Objective</i>	<i>Baseline (2015/2016)</i>	<i>Annual Targets</i>	<i>Performance Remarks</i>	<i>Actual Annual Performance</i>	<i>Challenges</i>	<i>Measures taken to improve/intervention</i>	<i>Location</i>	<i>Funding Source</i>	<i>Budget 16/17 R'000</i>	<i>Adjusted Budget</i>	<i>Annual Expenditure</i>	<i>Portfolio Of Evidence</i>	<i>Dept</i>
<b>5.3. MUNICIPAL FINANCE MANAGEMENT AND VIABILITY</b>															
<b>Expenditure management</b>	Sound Financial Management and viability	% Capital budget spent by 30 June 2017 (Total budget spent/Total budget)	75% (Total budget spent/Total budget)	75 (Total budget spent/Total budget)	Target achieved	90 (Total budget spent/Total budget)	None	None	Makhado Municipality	INCOME	163 938 800.12	199 126 314.45	155 150 524.22	Quarterly Financial Report	MM and All Directors
<b>Expenditure management</b>	Sound Financial Management and viability	% MIG spent by 30 June 2017	75% (Total budget spent/Total budget)	100% (Total budget spent/Total budget)	Target not achieved	90%	Rollover not spent 100%	None	Makhado Municipality	INCOME	112 264 000.00	136 817 564.45	104 686 767.89	Quarterly Financial Report	MM
<b>Expenditure management</b>	Sound Financial Management and viability	% INEP Grants spent by 30 June 2017	100% (Total budget spent/Total budget)	100% (Total budget spent/Total budget)	Target achieved	100%	None	None	Makhado Municipality	INCOME	17 000 000.00	16 000 000.00	16 000 000.00	Quarterly Financial Report	MM

<b>Expenditure management</b>	Sound Financial Management and viability	% FMG by 30 June 2017	100%	100%	Target achieved	100%	None	None	Makhado Municipality	INCOME	1 600 000.00	1 600 000.00	1 600 000.00	Expenditure Report	B&T
<b>Revenue Management</b>	Sound financial management and viability	% revenue collected by 30 June 2017	90%	90% (30800 4300)	Target not achieved	83% (412 880 397/.88)	Changing of meter reading service provider as they assist in credit control	Credit control system is active	Makhado Municipality	INCOME	342 227 123.00	719 929 000.00	412 880 397.88	Section 71 report (c1 schedule)	B&T
<b>Revenue Management</b>	Sound financial management and viability	To review the revenue enhancement policies by 30 June 2017	Revenue enhancement policies were reviewed	Revenue enhancement policies reviewed	Target achieved	Revenue enhancement policies (Rates, Tariff, Credit Control, Debts Collection) were reviewed	None	None	Makhado Municipality	INCOME	Operational	Operational	Operational	Draft/Final Policies (Rates Policy, Tariff Policy, Credit Control Policy, Debts Collection Policy)	B&T

<b>Budget and Reporting</b>	Sound financial management and viability	To submit the final budget to council by 31 May 2017	Final budget was submitted to Council	Final budget submitted to Council	Target achieved	Final budget was approved by council	None	None	Makhado Municipality	INCOME	Operational	Operational	Operational	Final budget and Council Resolution	B&T
<b>Budget and Reporting</b>	Sound financial management and viability	To submit the Financial statements submitted to AG by 31 August 2016	Financial statements was compiled and submit to AG	Financial statements compiled and submit to AG	Target achieved	Financial statements was compiled and submit to AG	None	None	Makhado Municipality	INCOME	Operational	Operational	Operational	Copy of Financial statements	B&T
<b>Budget and Reporting</b>	Sound financial management and viability	# of section 71 reports submitted to Treasury within 10 days after the end of the month by 30 June 2017	12	12	Target achieved	12	None	None	Makhado Municipality	INCOME	Operational	Operational	Operational	Copy of acknowledgement of receipt by Treasuries	B&T



<b>Supply Chain Management</b>	Sound financial management and viability	To review the Supply Chain Management policy by 30 June 2017	2014/15 Supply Chain Management policy was reviewed and amended	Supply Chain Management policy reviewed	Target achieved	Supply chain management policy was approved by council under budget related policies	None	None	Makhado Municipality	INCOME	Operational	Operational	Operational	Council Resolution	B&T
<b>Asset Management</b>	Sound financial management and viability	% of new acquisitions updated into the Asset Register by 30 June 2017	100%	100%	Target achieved	100%	None	None	Makhado Municipality	INCOME	Operational	Operational	Operational	Schedule of Asset Register movement	B&T

<i>Priority Issue/Programme</i>	<i>Development Objective</i>	<i>Key Performance Indicators/Measurable Objective</i>	<i>Baseline</i>	<i>Annual Targets</i>	<i>Performance Remarks</i>	<i>Actual Annual Performance</i>	<i>Challenges</i>	<i>Measures taken to improve/intervention</i>	<i>Project Name</i>	<i>Location</i>	<i>Funding Source</i>	<i>Budget 15/16 R'000</i>	<i>Adjusted Budget</i>	<i>Annual Expenditure</i>	<i>Portfolio Of Evidence</i>	<i>Dept</i>
<b>5.4. LOCAL ECONOMIC DEVELOPMENT</b>																
<b>Local Economic Development</b>	Invest in local economy	# of LED job opportunities created 30 June 2017	600	800	Target achieved	770	None	None	LED job opportunities	Makhado Municipality	Income	Operational	Operational	Operational	EPWP, CWP, and Community Projects reports	<b>MM and DEVP</b>
<b>Local Economic Development</b>	Invest in local economy	To host Makhado annual show by 30 September 2017	Makhado annual show was hosted	Makhado annual show hosted	Target achieved	Makhado annual show hosted	None	None	Annual Show	Makhado Municipality	Income	1 200 000.00	1 200 000.00		Annual Show Report and Audited Financial Statements	<b>DEVP</b>
<b>Local Economic Development</b>	Invest in local economy	# of LED projects supported 30 June 2017	9	6	Target achieved	08	None	None	LED Strategy	Makhado Municipality	Income	Operational	Operational	Operational	LED strategy implementation report	<b>MM and DEVP</b>

**GOOD GOVERNANCE AND PUBLIC PARTICIPATION (ANNEXURE A 5)**

<i>Priority Issue/Programme</i>	<i>Development Objective</i>	<i>Key Performance Indicators/Measurable Objective</i>	<i>Baseline</i>	<i>Annual Targets</i>	<i>Performance Remarks</i>	<i>Actual Annual Performance</i>	<i>Challenges</i>	<i>Measures taken to improve/intervention</i>	<i>Project Name</i>	<i>Location</i>	<i>Funding Source</i>	<i>Budget 16/17 R'000</i>	<i>Adjusted Budget</i>	<i>Annual Expenditure</i>	<i>Portfolio of Evidence</i>	<i>Dept</i>
<b>5.5. GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>																
<b>Risk Management</b>	Good governance and Administrative Excellence	To coordinate Strategic and operational Risk Assessment and review and approval of risk and fraud management policies by 30 June 2017	Strategic and Operational Risk Assessment Report developed / coordinated and 6 policies, plans and strategies reviewed and approved	7 risk activities coordinated	Target Achieved	7 risk activities coordinated	None	None	Risk Management project	Makhado Municipality	INCOME	Operational	Operational	Operational	Risk Management Register and Reports	<b>MM</b>
<b>Risk Management</b>	Good governance and Administrative Excellence	Coordinate quarterly Strategic and Operational monitoring risk report 30 June 2017	4 quarterly Strategic and Operational monitoring risk report	4 activities coordinated	Target Achieved	4 activities coordinated	None	None	Risk Management project	Makhado Municipality	INCOME	Operational	Operational	Operational	Strategic Monitoring Risk Report	<b>MM</b>

			Coordinated													
<b>Risk Management</b>	Good governance and Administrative Excellence	Coordinate Risk Management Committee meetings 30 June 2017	4 Risk Management Committee meetings held	4 activities coordinated	Target Achieved	4 activities coordinated	None	None	Risk Management project	Makhado Municipality	INCOME	Operational	Operational	Operational	Minutes and Attendance register	<b>MM</b>
<b>Fraud and Anti - Corruption</b>	Good governance and Administrative Excellence	% Fraud and Anti - Corruption cases attended by 30 June 2017 (# of cases attended/# of cases reported)	100% (# of cases attended/# of cases reported)	100% (# of cases attended/# of cases reported)	Target Achieved	100% (# of cases attended/# of cases reported)	None	None	Fraud and Anti - Corruption	Makhado Municipality	INCOME	Operational	Operational	Operational	Case Register	<b>MM</b>
<b>Internal Auditing</b>	Good governance and Administrative Excellence	To develop the Internal Audit Charter, Audit and Performance Audit Charter and submit to council for approval by 30th June 2017	Internal Audit Charter, Audit and Performance Audit Charter was developed and submitted to council for approval	Internal Audit Charter, Audit and Performance Audit Charter developed and submitted to council for approval	Target Achieved	Internal Audit Charter, Audit and Performance Audit Charter was developed and submitted to council for approval	None	None	Internal Audit Charter	Makhado Municipality	INCOME	Operational	Operational	Operational	Council Resolution, Copy of the plan	<b>MM</b>

<b>Internal Auditing</b>	Good governance and Administrative Excellence	To submit the three (3) year Internal Audit rolling plan and Annual plan to council for approval by 30 June 2017	Three (3) year Internal Audit rolling plan and Annual plan was approved	Approved three (3) year Internal Audit rolling plan and Annual plan	Target Achieved	Three (3) year Internal Audit rolling plan and Annual plan was developed and Approved by APAC	None	None	Internal Audit 3 Year Plan	Makhado Municipality	INCOME	Operational	Operational	Operational	Copy of the plan	<b>MM</b>
<b>Internal Auditing</b>	Good governance and Administrative Excellence	% implementation of the Approved Internal Audit Plan by 30th June 2017 (# of queries addressed/# of queries in the action plan)	100%	100%	Target Achieved	100%	None	None	Internal Audit Plan	Makhado Municipality	INCOME	Operational	Operational	Operational	Internal Audit report to Audit and Performance Audit Committee	<b>MM</b>
<b>Internal Auditing</b>	Good governance and Administrative Excellence	# of Audit and Performance Audit Committee meetings held by 30 June 2017	7	7	Target Achieved	7	None	None	Audit and Performance Audit Committee	Makhado Municipality	INCOME	Operational	Operational	Operational	Minutes, Attendance register, invitations	<b>MM</b>
<b>Internal Auditing</b>	Good governance and Administrative Excellence	# of Audit and Performance Audit Committee Reports developed and submitted to Council by 30 June 2017	4	4	Target Achieved	4	None	None	Audit and Performance Audit Committee Reports	Makhado Municipality	INCOME	Operational	Operational	Operational	Council resolution, Attendance register	<b>MM</b>

<b>Internal Auditing</b>	Good governance and Administrative Excellence	To submit the IAA and APAC Assessment report submitted to Council by 30 September 2016	1	1	Target Achieved	1	None	None	IAA and APAC Assessment report	Makhado Municipality	INCOME	Operational	Operational	Operational	Report, Council Resolution	<b>MM</b>
<b>Information Technology</b>	Good governance and Administrative Excellence	Implement automisation of municipal call centre by 30 June 2017	Manual system	Computerized call center system	Target not achieved	Implement automisation of municipal call centre not done. No bidder complied with tender specifications under Tender 9 of 2017. Tender had to be advertised a new	No bidder complied with tender specifications under Tender 9 of 2017. Tender had to be advertised a new	Tender 56 of 2017 was transferred to 2017/18 financial year and will tenders will be called under Tender 56 of 2017	Implement automisation of municipal call centre	Civic Centre	INCOME	500 000.00	300 000.00	(4) 912.28)	Specifications, Advert, Appointment letter, Project report	<b>CORP</b>

<b>Information Technology</b>	Good governance and Administrative Excellence	To complete upgrade of network infrastructure by 30 June 2017	Phase 1 done	Complete network upgrades	Target not achieved	Network upgrade not complete. Quote No: Mak77/2016/17 and MAK78/2016/17 were advertised and closed on 3 March 2017, This project is in Batch 2 to be evaluated by 14/04/2017	SCM did not achieve to assess quotations received & no service provider was appointed. The money was also used by F&B department for other purposes	The installation of networks at Waterval and Dzanani Community halls will have to be provided for anew in the 2018/19 financial year.	Upgrade network infrastructure	Civic Centre and regional offices	INCOME	100 000.00	125 896.47	4 912.28	Purchase Orders, Test certificate	<b>CORP</b>
<b>Information Technology</b>	Good governance and Administrative Excellence	To procure server harddrive 30 June 2017	Phase 1 done	Server harddrive installed	Target achieved	The hard drive was procured, delivered, installed and commissioned	None	None	Server harddrive	Civic Centre	INCOME	150 000.00	124 103.57	-	Purchase Order	<b>CORP</b>

<b>Information Technology</b>	Good governance and Administrative Excellence	To install telephone and computer network infrastructure new offices Civic Center by 31 December 2016	New offices Civic Center	Network infrastructure new offices Civic Center	Target achieved	Network infrastructure new offices Civic Center installed	None	None	Network infrastructure new offices Civic Center	Civic Center	INCOME	230 000.00	136 065.00	136 064.40	Installation report	<b>CORP</b>
<b>Information Technology</b>	Good governance and Administrative Excellence	To procure and install the new VEEAM backup server by 30 June 2017	Only two telephone points	New VEEAM backup server function	Target achieved	Veeam backup procured and installed and commissioned	None	None	VEEAM backup server	Civic Center	INCOME	150 000.00	241 135.00	181 320.23	Specifications, Appointment letter, Project report	<b>CORP</b>
<b>Information Technology</b>	Good governance and Administrative Excellence	To add extra telephone points at Municipal Stores complex by 31 March 2017	N/A	Add extra telephone points at Municipal Stores complex	Target achieved	15 Telephone points installed & commissioned at Municipal stores complex	None	None	Telephone points at Municipal Stores complex	Makhado Municipality (Stores complex)	INCOME	200 000.00	300 000.00	258 566.33	Specifications, Appointment letter, Project report	<b>CORP</b>
<b>Information Technology</b>	Good governance and Administrative Excellence	To Implement MCGICTP in the policy 31 March 2017	No ICT strategy	Implementation MCGICTP, 2015	Target not achieved	Implementation of MCGICTP not done. Tender was advertised first time and not awarded	Tender allocation could not be achieved in 2016/17 because of validity period	Project referred to 2017/18 for tender allocation and implementation	Implementation MCGICTP, 2015	Makhado Municipality	INCOME	500 000.00	500 000.00	#VALUE!	Specifications, Appointment letter, Approved ICT Strategy	<b>CORP</b>



<b>Information Technology</b>	Good governance and Administrative Excellence	To purchase laptops, computers and printers by 31 March 2017	New equipment	ICT equipment purchased	Target achieved	All ICT equipment purchased	None	None	Purchase of ICT equipment	Makhado Municipality	INCOME	400 000.00	500 000.00	435 134.95	Proof of purchase	<b>CORP</b>
<b>Information Technology</b>	Good governance and Administrative Excellence	Upgrade VIP HR ESS Software (for employee leave application apart from existing VIP Leave module) BY 30 June 2017	Upgrade	ESS Software (for employee leave application apart from existing VIP Leave module)	Project removed during budget adjustment	Project removed during budget adjustment	Project removed during budget adjustment	Project removed during budget adjustment	ESS Software (for employee leave application apart from existing VIP Leave module)	Civic Centre	INCOME	200 000.00	#VALUE!	Operational	Approval by MM, Project report	<b>CORP</b>
<b>Council Services</b>	Good governance and Administrative Excellence	# of Council meeting convened by 30 June 2017	15	6	Target achieved	15 Council meeting convened	None	None	Council meeting	Makhado Municipality	INCOME	Operational	Operational	Operational	Minutes, Attendance register, notice of invitations.	<b>CORP</b>
<b>Council Services</b>	Good governance and Administrative Excellence	# of Executive Committee Meetings convened by 30 June 2017	25	24	Target achieved	31 Executive Committee Meetings convened held	None	None	Executive Committee Meetings	Makhado Municipality	INCOME	Operational	Operational	Operational	Minutes, Attendance register, notice of invitations.	<b>CORP</b>

<b>Communication</b>	Good governance and Administrative Excellence	To review BathoPele Service Standards by 31 December 2016	1	BathoPele Service Standards reviewed	Target achieved	BathoPele Service Standards reviewed	None	None	BathoPele service standards	Makhado Municipality	INCOME	Operational	Operational	Operational	Approved 2015 BathoPele Service Standards	<b>CORP</b>
<b>Communication</b>	Good governance and Administrative Excellence	To develop a comprehensive website policy by 31 December 2016	New	Council approved website policy	Target achieved	Website policy approved by Council	None	None	Comprehensive website policy	Civic Centre	INCOME	Operational	Operational	Operational	Council resolution	<b>CORP</b>
<b>Communication</b>	Good governance and Administrative Excellence	To revamp municipal website by 30 June 2017	Upgrade	Municipal website revamped	Target achieved	Municipal website was revamped	None	None	Revamp municipal website	Civic Centre	INCOME	60 000.00	80 000.00	65 735.06	Attendance register, Memo and Order request	<b>CORP</b>
<b>Public Participation</b>	Good governance and Administrative Excellence	To review the public participation by 31 March 2017	Public Participation policy	Public Participation policy reviewed	Target achieved	Public Participation policy reviewed	None	None	Public Participation Policy	Makhado Municipality	INCOME	Operational	Operational	Operational	Approved draft policyNotice for the meetingProgrammes and attendance registerFinal approve policy	<b>CORP</b>

<b>Public Participation</b>	Good governance and Administrative Excellence	# of ward committee meetings held by 30 June 2017	456	456	Target not achieved	266 ward committee meetings were held	Non establishment of ward committees because of local government election	The ward committees were established	Support services for monthly ward committee meetings	Makhado Municipality	INCOME	Operational	Operational	Operational	Minutes, Attendance register, Ward committee quarterly report	<b>CORP</b>
<b>Public Participation</b>	Good governance and Administrative Excellence	# of imbizos convened by 30 June 2017	4	4	Target achieved	4 imbizos convened	None	None	Public Participation	Makhado Municipality	INCOME	Operational	Operational	Operational	Attendance register and Programme	<b>CORP</b>
<b>Public Participation</b>	Good governance and Administrative Excellence	# of imbizo feedback session convened by 30 September 2016	1	1	Target achieved	1 imbizo feedback session convened	None	None	Imbizo Feedback Session	Makhado Municipality	INCOME	Operational	Operational	Operational	Attendance register and program	<b>CORP</b>
<b>Public Participation</b>	Good governance and Administrative Excellence	To review Makhado Stakeholders Management Framework by 30 September 2016	Stakeholders Management Framework	Stakeholders Management Framework reviewed	Target achieved	Stakeholders Management Framework was reviewed	None	None	Review of Stakeholders Management Framework	Makhado Municipality	INCOME	Operational	Operational	Operational	Approved Stakeholders management Framework and council resolution	<b>CORP</b>

<b>Public Participation</b>	Good governance and Administrative Excellence	To review Makhado Communications Strategy by 30 June 2017	Communication Strategy	Communication Strategy reviewed	Target achieved	Communication Strategy was reviewed	None	None	Review of Communication Strategy	Makhado Municipality	INCOME	Operational	Operational	Operational	Approved Communication strategy and council resolution	<b>CORP</b>
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Service Provider Performance (Annexure A6)

ANNUAL ASSESSMENT OF SERVICE PROVIDERS YEAR 2016/17 FINANCIAL YEAR										Assesment of service provider			
Item No.	Dep	Tender number	Project name		Source of funding	Starting date	Completi on date	Progress to date	Challen ges and interve ntions				
				Name of Service provider									
1	DDP	37/2013	Padkamp Town Establishment	Nhlatse Consulting	Income	July 2014 - June 2015	Jun-15	The project is at nenity percent (90%). Awaiting General plan from Surveyor General.	None		4		
		46/2012	Formalisation of 700 sites at Matshavhawe	Pieterse Dutoit & Associates Town and Regional Planners	Income	July 2014 - June 2015	Jun-15	The project is at nenity percent (90%). Awaiting General plan from Surveyor General.	None		4		
		43/2012	Demarcation of 300 sites at Muananzhele Communal Property Association	Vutsila Consulting	Income	July 2014 - June 2015	15-Jun-15	The project is at nenity percent (90%). Awaiting General plan from Surveyor General.	None		5		
		29/2011	Piesanghoek to Khunda Road	Tshashu Consulting Enginners	MIG	01-Jul-14	30-Jan-16	91% complete	none		5		
		23/2014	Vuwani sports field	Thiko Consulting Engineers	MIG	30-Oct-14	30-Nov-15	78% complete	none		3		

		22/2014	Vuwani sports field	Nduvho / Ddzindake JV	MIG	30-Oct-14	30-Nov-15	78% complete	none		2		
		20/2014	Robert khoza to chavhani road	Mont Consulting Engineers	MIG	15-Jun-15	30-Mar-16	68% complete	none		5		
		1/2015	Robert khoza to chavhani road	Gorogang civil construction	MIG	15-Jun-15	30-Mar-16	68% complete	none		4		
		19/2014	Madzuwa bridge and access road	Morula Consulting Engineers	MIG	01-Apr-15	31-Oct-15	95% complete	none		5		
		49/2014	Madzuwa bridge and access road	Nkomazi / madevha JV	MIG	01-Apr-15	31-Oct-15	95% complete	none		3		
	DTS	29/2011	Piesanghoek to Khunda Road	Tshashu Consulting Enginners	MIG	01/07/2014	12/08/2017	Construction 25%	None	4	4	4	4
	DTS	61/2016	Piesanghoek to Khunda Road	Tshiamiso Trading	MIG	09/01/2017	12/08/2017	Construction 25%	Community interference	n/a	n/a	4	3
	DTS	68/2015	Mudimeli Bridge	Tshedza Consulting	MIG	24/03/2016	15/07/2017	Construction 22%	None	4	4	5	4
	DTS	59/2016	Mudimeli Bridge	Chauke Business Enterprise	MIG	27/01/2017	15/07/2017	Construction 22%	None	n/a	n/a	5	3
	DTS	69/2015	Vuvha Access Road	Victory Development	MIG	24/03/2016	30/06/2017	Construction 30%	None	5	5	4	4
	DTS	62/2016	Vuvha Access Road	Adicon Investment	MIG	09/01/2017	30/06/2017	Construction 30%	None	n/a	n/a	5	2
	DTS	70/2015	Tshikwarani/Manavhela/Zamekomste Access Road	Mont Consulting Engineers	MIG	24/03/2016	30/06/2017	Construction 10%	None	5	5	5	5
	DTS	66/2016	Tshikwarani/Manavhela/Zamekomste Access Road	Lilithalethu Trading	MIG	09/01/2017	30/06/2017	Construction 10%	Dispute about starting point	n/a	n/a	4	4

	DTS	71/2015	Tshirolwe/Matsa/M anyii Access Road	Morula Consulting Engineers	MIG	24/03/2016	30/05/2017	Construction 40%	None	n/a	4	4	4
	DTS	60/2016	Tshirolwe/Matsa/M anyii Access Road	Mkhacani Construction	MIG	09/01/2017	30/05/2017	Construction 40%	Dispute about scope of work	n/a	n/a	5	4
	DTS	72/2015	Gombita/Tshivhuy uni/Mphagi Access Road	TM Africa Consulting Engineers	MIG	24/03/2016	15/07/2017	Construction 10%	None	n/a	5	5	4
	DTS	64/2016	Gombita/Tshivhuy uni/Mphagi Access Road	CBE / MTTP JV	MIG	09/01/2017	15/07/2017	Construction 10%	Dispute about starting point	n/a	n/a	4	3
	DTS	73/2015	Xitacini/Jiweni Access Road	Dikgabo Consulting Engineers	MIG	24/03/2016	15/07/2017	Construction 25%	None	n/a	4	4	4
	DTS	67/2016	Xitacini/Jiweni Access Road	Tshiamiso Trading	MIG	09/01/2017	15/07/2017	Construction 25%	Torchin g of machines	n/a	n/a	4	4
	DTS	68/2016	Tshivhulana/Tshilaphala Road	DEGSA Consulting Engineers	MIG	15/06/2015	15/07/2017	Construction 15%	None	n/a	4	4	4
	DTS	68/2016	Tshivhulana/Tshilaphala Road	Tshiamiso Trading	MIG	31/01/2017	15/07/2017	Construction 15%	None	n/a	n/a	5	4
	DTS	74/2015	Waterval Sport Facility	Botshabelo Consulting Engineers	MIG	24/03/2016	30/06/2017	Construction 18%	None	n/a	4	4	4
	DTS	63/2016	Waterval Sport Facility	DIGES (Pty) Ltd	MIG	09/01/2017	30/06/2017	Construction 18%	None	n/a	n/a	4	3
	INTERNAL AUDIT	1/2016	Co-source for internal auditing	three service providers	INCOME	1/8/2016	31/7/2018	Satisfactory		n/a	4	4	4

	FINANCE		Printing of consumer statements	SA Post office	Income	1/6/2014	31/5/2017	Consumer statements are not sent	Late delivery of statements	1	1	1	1
	FINANCE	7/2013	Short term insurance portfolio for a period of three years	Lateral Unison Insurance Brokers (PTY)LTD	Income	2013/10/01	2016/09/30	satisfactory		4	4	4	4
	FINANCE	46/2010	Provision of banking services for period of 60 months.	First National Bank	Income	2011/07/01	2016/06/30	Satisfactory		3	3	3	3
	FINANCE	41/2013	GRAP Compliant Assets register	Musanda Chartered Accounts (PTY)LTD	Income	2014/03/01	2017-29-02	Satisfactory		4	4	3	3
	FINANCE	61/2010	Proposal card fleet management	Wesbank	Income	2011/11/01	2013/10/31 extended	Satisfactory		5	5	5	5
	FINANCE	38/2016	Rendering of meter reading services for period of three (3) years	Baatshuma/Lekakgona JV	income	1/1/2017	30/12/2019	satisfactory		n/a	n/a	N/A	3
	FINANCE	56 /2008	4X10000 Water tankers	Cooper Eagle Trading 327 CC	Income	2009/02/12	2019/02/28	Satisfactory		3	3	3	3
	FINANCE	14/2013(section 32 )	MMs sent statement for municipal accounts	Ntsumi Telecommunications	Income	01/03/2015	28/02/2018			1	1	1	1
	FINANCE	19/2015	Supply and delivery of electrical materials	Several service providers	income	1/12/2015	30/11/2018	High prices of some items		3	3	3	3



	COMMUNITY	5/2013	Provision of Security Services for property	Veteran Security Services	Income	01/08/2013	31/7/2016	Satisfactory		4	4	4	4
	COMMUNITY	5/2013	Provision of Security Services for property	Backline Security & Cleaning Services	Income	01/08/2013	31/7/2016	Satisfactory		3	4	4	4
	COMMUNITY	5/2013	Provision of Security Services for property	GNS Security	Income	01/08/2013	31/7/2016	Satisfactory		4	5	4	4
	COMMUNITY	5/2013	Provision of Security Services for property	Vhugi Protection Services	Income	01/08/2013	31/7/2016	Satisfactory		3	3	2	4
	COMMUNITY	5/2013	Provision of Security Services for property	Majojo Trading	Income	01/08/2013	31/7/2016	Satisfactory		4	4	4	2
	COMMUNITY	5/2013	Provision of Security Services for property	2RM Security T/A Analytical Risk MX	Income	01/08/2013	31/7/2016	Satisfactory		5	4	4	4
	COMMUNITY	105/2010	Parking Meter Management System	Rirhothe Trading and Investment	Income	01/12/2012	30/11/2015	In progress		4	5	5	5
	COMMUNITY	17/2015	Cash-In-Transit	SBV Services	Income	1/2/2016	31/1/2019			1	1	1	3
	CORPORATE	37/ 2006	One day per month on site service support with Collaborator electronic document movement as per Annual Service Level Agreement	Business Engineering (Pty) Ltd	Income	1/5/2015	30/6/2016	According to contractual provisions	None	4	4	4	4

	CORPORATE	Existing service provider per contract for ICT Support services	ICT software applications and technical support service	ITNA (Pty) Ltd	Income	As per Service Level Agreement	As per Service Level Agreement	According to contractual provisions	None	5	5	5	5
	CORPORATE	Existing service provider per contract for Munsoft Financial Management Support services	Continuous daily support services on Munsoft Financial Management services, including upgrade of software and training on operational level as well as Software License Agreement	Munsoft (Pty) Ltd	Income	As per Service Level Agreement	As per Service Level Agreement	According to contractual provisions	None	5	5	5	5
	CORPORATE	Various Software Licenses Agreements	Software Applications on the Information Technology Systems	Various software application providers	Income	negotiated	negotiated	According to contractual agreements	None	5	5	5	5
	CORPORATE	41/2014	Supply and delivery of stationery for three years	Londola Trades , Ludricks Construction and Projects	Income	1/11/2014	30/10/2017	According to contractual provisions	none	4	5	5	
	CORPORATE	38/2014	Supply and delivery of photocopying papers for three years	TCL Group Pty(Ltd)	Income	1/10/2014	30/09/2017	According to contractual provisions	none	4	4	4	4
	CORPORATE	25/2014	Medical services: Occupational medical therapist for employees	Chitandani Medical Clinic	Income	1/7/2014	31/5/2017	According to contractual provisions	none	4	4	4	4
	CORPORATE	35/2012	Medical Services: Psychology for period of three years	Matswaisa Trading Enterprise	Operational budget	13/02/2013	13/02/2016		None	5	5	5	5

	CORPO RATE	33/ 2013	Rental photocopiers of	*Palesa Tech (Pty) Ltd and Fintech Bank (Pty) Ltd <u>NOTE:</u> The company has ceded its business to a successor in title , ITEC Impact, who has taken over the technical support service on 12 rental copiers with effect of 5 April 2016	Income	1/5/2014	30/06/2017	According to contractual provisions During March 2016 the technical support service was not according to contract. Palesa Tech Pty Ltd has since ceded their business rights to a successor ITEC Impact	None	3	5	4	4
	DPP	37/2013	Padkamp Town Establishment	Nhlatse Consulting	Income	Jul-14	15-Jun	The project is at nenity percent (90%). Awaiting General plan from Surveyor General.	None	4	4	5	5
	DPP	46/2012	Formalisation of 700 sites at Matshavhawe	Pieterse Dutoit & Associates Town and Regional Planners	Income	Jul-14	15-Jun-17	The project is at nenity percent (90%). Awaiting General plan from Surveyor General.	None	4	4	5	5
	DPP	43/2012	Demarcation of 300 sites at Muananzhele Communal Property Association	Vutsila Consulting	Income	Jul-14	15-Jun-17	The project is at nenity percent (90%). Awaiting General plan from Surveyor General.	None	5	5	5	5